



North Eastern Education and Library Board  
Annual Report and Accounts  
For the year ended 31 March 2006

Laid before the Houses of Parliament by the North Eastern Education and Library Board in accordance with Paragraph 12(2) and 12(4) of the Schedule to the Northern Ireland Act 2000 and Paragraph 41 of the Schedule to the Northern Ireland Act 2000 (Prescribed Documents) Order 2004

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## Mission Statement

“ The North Eastern Education and Library Board has a vision of developing and delivering world class Education, Library and Youth Services.

In achieving this the Board will aim to help everyone realise their potential and contribute to a caring, inclusive and progressive society. ”

In pursuing this aim **we believe** in the need to be

**People centred** - valuing, motivating and developing all to their potential

**Creative and innovative** - promoting new approaches to service delivery

**Committed to quality** - monitoring, evaluating and improving service delivery

**Accountable** - through open and accountable management

**Corporate in outlook** - where staff understand how they contribute to meeting targets

## Strategic Themes

The Board recognises that there is already a firm foundation of sound professional practice both centrally and within its institutions. In seeking to fulfil its mission and working within the context of an environment which is frequently subject to change, the Board developed the following key strategic themes to provide a comprehensive framework for the planning and delivery of services:

Meeting Needs

Raising Standards

Broadening Horizons

Acquiring and Managing Resources

The Board believes that these themes continue to provide an effective structure for corporate planning and represent a shared approach within which all services will focus their activities towards the key outcomes of our organisation.

This Report records progress towards the targets set out in the Corporate Plan 2002-2006.

## Chairman's Foreword

It was an immense privilege to be elected as Chairman of the Board in August 2005 by my fellow Board members and to now be able to present the Annual Report and Accounts for the 2005/06 year.

Since becoming Chairman I have been struck by the sheer scale of the work of the Board. We have a budget of approximately £300 million, employ a staff of around 11,000 people and serve a population of 400,000. The scale of our operation of course creates many challenges, yet I see the members and officers dealing sympathetically with the issues individuals raise and striving to improve customer satisfaction in every area of the Board's work. This report can only provide a sample of our work but it does illustrate the many areas in which the Board touches the lives of the people, especially the young people of our area.

I have also been impressed by the talent there is in the Board at all levels. This has allowed us this year to be involved in creative and innovative projects often funded outside the government's allocation. In this report you will read of some of this work such as 'The Truck', our mobile digital creativity unit which brings technology to schools both north and south of the border.

I was delighted in January to be invited to the Business Excellence Awards when the Board was awarded the Mark of Excellence for its work. This demonstrated our commitment to continuous improvement. Over the year we also maintained the Charter Mark status for the three key Board services - Curriculum Advisory and Support, Youth and Library Services. These are externally assessed and are national or international standards.

I am immensely proud of our achievements over the past year and I would like to congratulate all those associated with the Board who worked so hard to make the year a successful one. I would encourage you to read about these for yourself in this report.



Rev Selwoode Graham  
Chairman

## Chief Executive's Foreword

The 2005/2006 year was probably one of the most challenging the Board has had to face in its existence.

Firstly there was the financial situation. The allocation from Government unfortunately did not meet all our commitments and as a result the Board had to make some very difficult decisions to ensure service levels were maintained within budget. I would want to pay tribute to the members and officers who made these decisions which placed the Board on a sound financial foundation for the year.

Secondly it has been a period of immense change. Amongst these changes have been the implementation of elements of the post primary review, planning for the introduction of the revised curriculum, the rationalisation of school provision, shared services, healthy eating and the strategic review of library provision. The officers addressed all of these changes in a most professional manner and have made significant progress in each area ensuring that the appropriate action has been taken.

Thirdly the officers have brought to their work new innovative approaches which have resulted in enhanced support for pupils, teachers and schools. You will be able to read more of this work in the report.

The most significant development this year was the announcement by the Secretary of State and the Minister of Education of the decisions on the Review of Public Administration. A new Education and Skills Authority will replace the Board on 1 April 2008 and the Board has been working towards this during the year. The challenge this major structural change will present should not be underestimated. Our role though is to continue to provide and support schools to provide the best quality education, library and youth services for all. With the quality of our staff and the support of the Board I know we can continue to achieve this.



Gordon Topping OBE  
Chief Executive

## Introduction

The North Eastern Education and Library Board was established in 1973 and its constitution as revised is laid down in the Education and Libraries (NI) Order 1986. The Board consists of 35 members, appointed by the Minister responsible for the Department of Education (DE), and representative of the following:-

- each District Council in the Board's area
- transferors' interests
- trustees of maintained schools
- those with an interest in the services for which the Board is responsible, including the Library Service, Youth Service and teachers.

A list of members of the Board for the period 2005/2006 is included in the Annual Accounts section of this document.

## Some Facts and Figures

Local Government Districts included within the Board's area:



### Population

Population of the Board's area in the 2001 census	394,400
2005/2006 mid-year population estimate	405,973

## School Enrolment Figures

(i) Schools Controlled or Maintained by the Board		
Category	Number of Schools	Enrolment Figures
Nursery Schools/Units	53	2,904
Primary Schools (including Controlled Integrated and Irish Medium)	208	35,509
Secondary Schools	34	17,438
Special Schools	11	1,010
Grammar Schools	16	13,553
(ii) Voluntary and Grant Maintained Schools		
Category	Number of Schools	Enrolment Figures
Grant Maintained Nursery Units	4	104
Grant Maintained Integrated Primary Schools	6	1,078
Grant Maintained Post Primary Schools	4	2,009
Voluntary Grammar Schools Preparatory Departments	1	146
Total number of children enrolled in schools within the Board's area in the School Year 2005/2006		73,751

## Library Service

Number of Branch Libraries	28
Number of Public Service Mobile Libraries (includes 4 dedicated to serving housebound library users)	7
Schools Mobile Libraries	4 (3 Primary & 1 Post Primary)
Number of registered members of the Public Library Service	75,677

## Youth Service

Membership of youth organisations within the Board's area (young people aged 4 – 25 years)	44,166
Number of Controlled Youth Clubs	31
Number of Voluntary Youth Organisations	514

## Functions Of The Board

The functions of the Board in relation to the provision of education and library facilities are laid down primarily in the Education and Libraries (NI) Order 1986, the Education Reform (NI) Order 1989, the Education and Libraries (NI) Order 1993, the Education (NI) Order 1996 and the Education (NI) Order 1997 and the Education (NI) Order 1998.

The system of public education is organised in two stages -

Primary Education - for pupils aged 5-11 in Key Stage I and II

Secondary Education - for pupils aged 11-18 in Key Stage III and IV and post 16 studies

The Board must also have regard to the need to provide nursery education and has a key role in delivering the pre-school expansion programme.

Within this public education system it is the duty of the Board to -

- contribute towards the spiritual, moral, intellectual and physical development of the community;
- ensure that there are sufficient schools for providing primary and secondary education;
- secure special educational provision for those children who have been identified as having special educational needs.

In fulfilling these functions the Board is required to draw up schemes which allocate finance and delegate responsibility to boards of governors of schools. In addition the Board must maintain a curriculum advisory and support service to provide support for staff and governors in schools.

The Board is also required to-

- secure the provision for its area of adequate facilities for recreational, social, physical, cultural and youth service activities and for services ancillary to education; and
- provide a comprehensive and efficient library service for persons living, working or undertaking courses of education in its area.

## Board Structures

In the period covered by this Report, the Board comprised five Departments providing services as follows:-

### Chief Executive's Department

(Chief Executive: Mr G Topping OBE BA(Hons) MSc MBA DipEd FRSA)

The Chief Executive's Department provides services to Board members, other Board Departments, schools, Board staff and the general public.

Its functions are carried out through two units -

**The Board Secretariat** which provides administrative, organisational and secretarial support for the Board and its committees.

**Internal Audit** which provides assurance to the Chief Executive as Accounting Officer on the adequacy and effectiveness of Board systems.

## Education Department

(Head of Department: Mr G Irwin DASE MEd)

The Education Department comprises six services which aim to make a specific contribution to the Board's Strategic Themes as well as contributing to a multi-disciplinary approach at Board level.

**The Curriculum Advisory and Support Service** aims to enhance the quality of education by providing a high quality, cost effective, proactive and responsive service to all those involved in education within the community.

**The Strategic Management Unit** aims to provide effective management and administration, including training, to primary and post primary schools.

**The Educational Psychology Service** aims to provide non statutory assessments and advice to schools, parents and other agencies as well as the provision of statutory assessments and advice on individual children. Specialist teaching services provide support and direct teaching for the benefit of individual children.

**The Education Welfare Service** aims to ensure that parents fulfil their statutory obligations to secure suitable education for their children and seeks to provide support for children in liaison with schools, parents and other agencies.

**The Special Education Service** aims to identify children with special educational needs and determine and secure the special education provision that should be made for them.

**The Youth Service** aims to support and provide opportunities in informal settings relating to the personal and social development of young people with emphasis placed on supporting adolescents in their developmental transition from childhood to adulthood.

## Administration Department

(Head of Department: Mr R Harper MA CertEd)

The Administration Department provides the Board, schools, parents and young people with a range of statutory and support services:-

**The Human Resources Branch** is responsible for the provision of Personnel Services to schools and Board managers.

**The Pupil Student Services Unit** is responsible for the provision of Transport, Student Support and Benefits and Open Enrolment/Transfer Services.

**The Equality and Human Rights Officer** is responsible for managing the Board's response to legislative requirements and for supporting other managers in dealing with equality and human rights education.

**The School Meals Service** is responsible for providing a range of comprehensive catering services to a variety of schools including primary, secondary, nursery and special.

**The Property Services Division** is responsible for providing the Board and schools with a wide range of professional and technical support services, for the maintenance of all Board properties and for the ongoing development of the Board's estate to meet the ever changing needs of the Education Service. Besides the Direct Services Organisation, which is responsible for building cleaning, grounds maintenance and vehicle maintenance, the Property Services Division also includes the Claims and Legal Administration Service which is responsible for the investigation of Personal Injury Claims brought against the Board and its legal administrative function including acquisition and sale of property.

## Library And Corporate Services Department

(Head of Department: Mrs A Connolly, BA(Hons), Dip Reading Development, MA, MBA)

The Library and Corporate Services Department is responsible for Libraries; ICT; Best Value; Freedom of Information; Communications; and Training and Development.

## Functions of the Board & Board Structures

The Library Department aims to meet the reading and information needs of all NEELB residents by providing a library service which is readily accessible and responsive to the needs of its users. It carries out this function through the following services:

**The Lending Service** allows all adults and children who live, work or are in education within the area to borrow from its libraries, books, videos, music and spoken word recordings and open learning materials.

**The Information Service** aims to answer enquiries from any member of the public on any subject from a wide range of sources.

**The Local Studies Service** preserves and makes available materials and information relating to the history of the area.

**The Stock Department** is responsible for the purchase of all stock material for departments in the Library Service, has additional responsibility for the management of stock related contracts and the management of the 5 Board tendering process in conjunction with the NEELB Purchasing Department.

**The Community Support Service** provides reading and listening materials in all formats for people who, because of illness, disability, frailty or restrictions on their freedom of movement, are not able to use mainstream library services.

**The Education and Youth Service** provides resources to assist in teaching, together with advice, materials and assistance to schools in relation to their own school library provision.

A fleet of **mobile libraries** provides a regular library service to rural areas.

**ICT Management Services** manages the Board's website, supports the Board's use of computer technology to provide effective services and had responsibility for managing Freedom of Information.

**The Best Value Officer** is responsible for supporting a programme of Best Value Reviews across all Departments, as well as contributing to inter-board Best Value Reviews.

**The Information and Communications Unit** provides a means of collecting and disseminating information to internal and external publics.

**The Training and Development Officer** is responsible for facilitating all in-house training for officers of the Board as well as for the monitoring, evaluation and record keeping with regard to all external courses. The Board's training and development budget is managed by the Training and Development Officer in conjunction with the Corporate and Staff Development Committee.

## Finance Department

(Head of Department: Mr S N S McCurdy BA(Hons) CIPFA)

The Finance Department provides the Board with a wide range of financial services to assist the Chief Executive in the discharge of his responsibilities as an Accounting Officer. Its functions are carried out through the following service units:

### Financial Accounting Division

The service is responsible for the payment of salaries and wages (excluding payments to teachers and lecturers), the payment of creditors, the estimating and ordering of cash requirements from DENI and the reconciliation and analysis of monies received from other sources. Services are also provided in relation to the maintenance of the General Ledger system and Chart of Accounts, the reconciliation of bank accounts, the administration of, and accounting for, Trust and Endowment Funds and the compilation and recording of Losses and Special Payments.

### Management Accounting Division

This service unit is responsible for providing a financial planning and management information service to the Board in line with its Strategic Plan. This includes the preparation of short and medium term

financial plans and the maintenance of a financial management information service to facilitate budgetary control and decision making by budget holders, including those responsible for the local management of schools.

### Purchasing Branch

The Purchasing Branch is responsible for the procurement of goods and services for the Board, taking account of the Board's Standing Orders, Government legislation and EU directives.

The main activities of the section relate to:

- (i) Contracts, Quotations and Tendering
- (ii) Monitoring and Inventory
- (iii) Stores.





# Chapter 1

## Chapter 1



Developing People

# Developing People



## Developing People

The process of learning should be about broadening horizons, opening up educational opportunities and experiences. Rapid developments in science and technology mean that the world has become more complex. As a result children, young people and adults need to develop the skills necessary to live in an increasingly international environment, one which values mutual understanding, respects diversity, promotes social inclusion and demands innovation.

### Schools And The Curriculum

The Board is dedicated to improving the education service to assist young people and adults to develop their potential throughout their lives.

#### Pre School Education

The Board develops early years provision through completing the implementation of the Pre-School Education Advisory Group (PEAG) Plan. The Board created 93% provision for the cohort of children in their immediate pre-school year. In the statutory sector 3,048 places were provided in 17 nursery schools and 40 nursery units (of primary schools) and 1,450 additional pre-school places were funded in 91 playgroups/nurseries in the voluntary and private sector. Also 52 children were provided with support and direct teaching by the Educational Pre-School Teaching Service.

#### Primary and Post-Primary Education – The Revised Curriculum

The Board fully participated in the process of planning the Revised Northern Ireland Curriculum. A conference was held in September 2005 to introduce the Revised Curriculum process to all education stakeholders in Northern Ireland and was attended by 150 delegates.

Key Stage Advisers have been working as part of the Regional Curriculum Support teams to develop the detailed plans for common training and support programmes to be delivered to all schools in Northern Ireland from August 2006.

Board Officers were involved in a series of "Leading Learning" Conferences which were planned regionally and delivered locally for senior staff in all Board schools. These provided quality time for key people in schools to prepare and plan for successful school based change and development. Link Officers from the Curriculum Advisory and Support Service supported whole staff follow up work with teachers in individual schools on Exceptional Closure days.

Board Officers also worked on the Learning for Life and Work (LLW) Cross Phase Group to produce training materials for schools across the Province. Teachers from pilot schools were trained in the Key Stage 3 LLW materials. ICT was integrated into the curriculum to support learning and teaching and enable creativity and innovation across the curriculum.

A two-day conference on the 'Entitlement Framework' was held in co-operation with the Post-Primary Heads Association.

#### Special Education

Special Education implemented the legislative requirements of the Special Educational Needs and Disability Order (2005) which strengthens the rights of pupils with special needs to be educated in mainstream schools.

The Special Education Section recruited three specialist literacy teachers to meet the needs of pupils with significant and complex literacy difficulties.

## Developing People

## Leadership and Management

Key to raising educational achievement is the development of effective leadership and management. The Board improved the quality of leadership and management at all levels in the education service by targeting management support, with a particular emphasis on schools participating in the School Support Programme. The Professional Qualification for Headship has been available to aspiring headteachers since 1999. It is delivered by the Regional Training Unit and is designed to provide training in the core areas of headship. In 2005/06, there was an increased uptake of the Professional Qualification for Headship in Northern Ireland (PQHNI) amongst aspiring headteachers when 18 candidates were awarded a funded PQH NI place.

The Board also provided a programme of support for First Time Principals which included an induction seminar, a seminar on leadership, recruitment and selection training and training in financial management. In 2005/06 13 Principals participated in the programme.

Effective governance is a second pivotal issue in relation to the raising of educational standards.

## Boards of Governors

Board Officers provided Induction Training for new school governors for the following:

Theme	Total No. of Governors Attending
Recruitment & Selection	412
Performance Review	339
Staff Development (PRSD)	116
Child Protection	381

In total 37 training sessions were provided with 17 of these delivered in local areas. Information regarding the training was distributed to Governors via the Board's website and through a leaflet to schools, highlighting the training opportunities. These were some very positive feedback comments from Governors after the training:

*"Very enjoyable, group participation was very good. Learned a lot from other members of the Group"*

*"The group work was very useful – it was good to share ideas and experience".*

## Key Indicators of Success : Performance in Academic Year ending 2005

	Key Stage 1 (% of pupils achieving Level 2 or above)		Key Stage 2 (% of pupils achieving Level 4 or above)		Key Stage 3 (% of pupils achieving Level 5 or above)	
	Board	NI	Board	NI	Board	NI
English	95.3%	94.9%	77.9%	76.6%	75.0%	73.3%
Maths	95.7%	95.2%	80.8%	79.0%	71.4%	71.0%
Science	n/a	n/a	n/a	n/a	70.8%	69.6%

% of 16 yr olds achieving 5+ GCSEs at Grades A\*-C (or equivalent) & Grades A\*-G (or equivalent)

	Board	NI
A*-C	60%	61%
A*-G (Non-Grammar)	81%	82%

% of 18 yr olds achieving 2+ GCSE A Levels at Grade A-E (or equivalent)

	Board	NI
A-E	96%	97%

The Board's Literacy Teaching Support Service (LTSS) provided support to schools for individually identified children who have severe literacy difficulties including Dyslexia. This service provided support to 51 children in 33 schools and direct teaching to 285 children in 161 schools.

Phase two of the numeracy strategy began, where the Board provided intensive sustained support for eight primary schools as part of the Raising Achievement in Numeracy project. Centre-based training was provided for 180 primary numeracy co-ordinators and 44 post-primary co-ordinators. Support was also provided for 473 school-based professional development sessions and 1,195 teachers of mathematics.

The Children and Young People Funding Package was launched in March 2006 to reduce under-achievement and improve the life chances of young people. One of the priorities of this initiative is to develop the concept of the Extended School.

At post primary level the Board assisted schools in the implementation of the Entitlement Framework. This is a process which seeks to widen pupils' access to courses by extending collaboration between post primary schools. The Board has been actively involved in the promotion of pilot projects and the organisation of a major conference with Principals to facilitate collaborative working between schools.

## Business Education Links

The Board contributed to the development of a competitive economy by fostering business-education links and services. A total of 28 businesses took part in an interactive Work-skills Showcase which was attended by 236 students from the Special Schools sector and Units within the Secondary Sector. In addition, 34 Post-Primary Schools worked collaboratively with Institutes of Further and Higher Education to offer work related courses at Key Stage 4 to a total of 500 students while 21 schools are engaging in an Education for Employability curriculum pilot programme at Key Stage 3. All post-primary schools facilitated all pupils aged between 14-18 years to participate in a work placement.

## Creativity

### Digital Creativity Truck

In promoting a culture of creativity and innovation, the Board, by acquiring EU funding, developed a Digital Creativity 'Truck' for digital creativity and communication in the context of multimedia within Ireland and internationally. Modern technology and practical experience in the form of web design, video conferencing, multimedia, animation, digital camera, the moving image, drama and music productions, audio recording and outside broadcasts were delivered from this mobile training unit. This allowed opportunities for cross community working through increased exposure to the creative arts, creating an understanding of difference, celebrating cultural diversity and equality of opportunity.

This Project involved 18 post primary schools in the Republic of Ireland and Northern Ireland, selected on the basis of equality and TSN policy (9 in the North and 9 in the South), and specifically targets 4th year students in the North and 6th year students in the South. Altogether 180 pupils have now been involved, 120 of whom have expressed an interest in pursuing further development in the area of creativity.

### Video Conferencing

In developing its interactive services, the Board engaged the use of Video Conferencing sessions to support pupil learning through the provision of Virtual Field Trips.

## Developing People

## Music

The Board continues to offer pupils the opportunity to broaden their musical education through a range of activities. During the 2005/06 year the music charges to schools and parents were reviewed. New methods of delivery were introduced and a strategy was developed to promote wider access to the service. There was an overall increase of 15% in the number of young people receiving tuition in schools, with a 6% increase in the number of pupils receiving tuition within socially deprived areas of the Board.

## Libraries

### Public Consultation

A review document, outlining proposals to establish a sustainable and affordable framework for the service of the future was produced and a clear vision for the library service set out. This vision detailed plans to facilitate the redesign of the service leading to better access to services, improved quality of stock and increased reader support.

Library users were surveyed for their opinion on the effectiveness of the service as well as asking for their views on seven draft public library standards. In all 4,344 forms were returned, a 56.9% response rate.

Stage 1 of the Library Service Strategic Review was an in-depth study of the performance of each of the Board's 37 Libraries and the Mobile Service. Extensive public consultation took place during 2005 with a total of 21 public meetings - one held in each of the nine Council areas and one in each library earmarked for potential closure.

## Youth

Membership of the Youth Service increased by 1% to 44,126 young people involved in youth activities. In supporting Youth Groups in the implementation of the Youth Service's Curriculum, 1,535 youth leaders participated in training courses and workshops operated within "Youth Work Effective Practice" principles.

The Board explored new opportunities for national and international links. Young people were involved in Youth Service exchanges and visits with partners from America, Croatia, Bosnia, Germany, Finland and Republic of Ireland.

Forty nine summer intervention programmes were provided in the most deprived areas of the Board specifically designed to direct young people away from conflict and disruptive behaviour - 4,020 young people were involved. The professional youth work team also engaged 1,730 marginalised young people in personal and social development group work programmes.

Some ninety disaffected pupils from post-primary schools were involved in a summer "back to school" residential programme provided by the Youth Service, with the majority returning and continuing education.



*Polish Children attending the Youth Summer Scheme in Portrush*



# Chapter 2

## Chapter 2



Supporting People

# Supporting People



## Supporting People

While the support of teachers in schools is at the core of the Board's activities, a great deal of work goes on directly with pupils to ensure that they can benefit from what the education service provides.

The range of Board services which work in a support role is wide including education welfare, special education, psychology, pupil counselling, catering, transport and Schools branch.

Involving the community through the provision of information and working in partnership with other organisations are both strong elements in the drive to fulfil this important support function.

### Schools Branch

Schools Branch plays a pivotal role in the strategic planning and administration of the nursery, primary and post primary sectors.

Board Officers worked closely with schools in ensuring effective governance arrangements were in place with 1,982 governors appointed to schools in the Board's area. Officers also acted as professional assessors in relation to the appointment of 17 Principals and 9 Vice Principals during the period.

On-going support was provided to some 14 parents of children with Special Educational Needs through the establishment of a Dispute Avoidance and Reconciliation Service. Support was also provided to enable a Counselling Service for post primary pupils to be delivered and the Branch also placed suspended and expelled pupils, provided assistance to travellers' children and monitored pupils educated at home.

The Board's Behaviour Support teams have assisted schools in dealing with their most challenging pupils while school-based care teams have also brought about a more focused delivery of multi-agency support for pupils with difficulties.

### Curriculum Advisory and Support Service

The Curriculum Advisory and Support Service fosters a climate of continuous improvement and provides support to schools to enable them to meet their statutory obligations while also promoting a wide range of educational initiatives.

### Education Welfare

The Education Welfare Service continued to provide support for vulnerable children and their families in order to increase their participation in education. This work included projects for school age mothers, children looked after by social services, parent support groups and individual case work.

The Board's Education Welfare Officers monitor attendance levels in schools, recording a 95.2 per cent attendance rate in primary schools, 95.0 per cent in the grammar sector, 90.4 per cent in secondary schools and 90.1 per cent in special schools. They work towards achieving at least an 85 per cent level of attendance by each pupil referred to them.

### Special Education

The Special Education Service has coped well with the increasing demands being placed on it. The backlog of children waiting for a statement of special educational need has been eliminated and 98.2 per cent of statements are issued within the statutory 18 week period from first referral, through assessment to completed statement. Some 2,400 children with special educational need statements are supported in the area.

## Education Psychology

An innovative method of group assessment of children who may be on the autistic spectrum has been introduced by the Board's Psychology Service in partnership with the Health Service and this has helped to speed up the assessment process without impacting adversely on the children referred to the service.

Close ties have been built up with voluntary groups such as PAPA (Parents and Professionals and Autism) enabling workshops for parents of pre-school children with autism to be held.

## Counselling

The special pupil counselling service set up by the Board received 389 referrals in the past year from 64 different schools. The majority of the pupils referred to the Board's trained counsellors were girls (217) and they received support in dealing with a range of emotional and behavioural difficulties. The average number of sessions needed for each pupil was four, with the average waiting time before a first interview being just seven days.

## Education Catering

Studies have shown that children's diet can have an impact on their concentration levels and educational attainment. The Board's Education Catering Service has been keen to introduce nutritional standards across all its school meals kitchens. These guidelines set out the requirements that school caterers must follow when preparing school lunches. The standards do not ban any particular foods but emphasise that some foods do not make significant contributions to overall nutrition and so should be limited. At least one type of vegetable will be on offer every day and more fruit-based desserts will be served. These standards also provide information on reducing fat and salt.

## School Transport

The Board's School Transport Service has also been at the forefront of improving standards in its overall bus fleet, purchasing new vehicles equipped with seat belts and tail-lifts for disabled access and constantly developing the skill level of its drivers.

One innovative way of improving driver skills is the annual 'Driver of the Year' event, run with sponsorship from local businesses and incorporating a strong training element. The bus rally style event, staged in July, is unique to the Board's area and gives drivers the opportunity to have their skills tested under competitive conditions with cups and prizes for the best entries in a wide range of categories.

The Driver of the Year competition has helped to build up good relationships with the sponsors, including the Trade Unions, and bodies such as the Health and Safety Agency and the Institute of Advanced Motorists.

## Library Service

The four "Direct Service" mobile libraries take books to the homes of 1,028 people who cannot go to their local library because of disability, illness or frailty. Some 83 residential units are also served in this way. The Library Service supports 413 people with sight loss in accessing local newspapers in audio format and pays the annual subscription for 302 blind and vision-impaired people who use RNIB Talking Books.

## Involving the Community

### - through partnerships

Often the best way to provide the support that people need is through a partnership arrangement with the voluntary sector or other public sector organisations and the Board has seized every opportunity to involve the wider community in its services through such partnerships.

One example of the many partnerships is the Heartstart programme which is now running in over a hundred North Eastern area schools, training teachers in life saving skills they can pass on to pupils. The team was also involved in presenting the health education message on drugs in 24 primary schools using the high-tech Life Education Centre mobile van developed in partnership with the Health Service and South East Antrim Life Education.

In the field of international links there were new joint education action plans agreed with the education ministries in Brandenburg (Germany) and Alsace (France). A Comenius programme conference was hosted by the Board to promote new school-based project partnerships, with Romania being the latest country to become involved with the Board in this field while links with Fairfax County in Virginia, USA, continue to flourish.

The Library Service has been very active in developing partnerships in the community. Together with the Open College Network, Family Learning courses, combining the teaching of ICT or story sacks with essential skills, were held in Greenisland, Ballymena and Antrim. Adult learners were able to continue their education in Harryville Primary School in a project involving the Library Service.

In delivering lifelong learning, library staff have worked in conjunction with the Ulster People's College in Belfast, Women's Aid in Ballymena, Springfarm Community House in Antrim, Carrickfergus Women's Forum, various churches in Greenisland and Help the Aged in Magherafelt, Carrickfergus, Larne and Ballymena.

### - through providing information and consultation

#### Consultation

The Board's Youth Service has held forums for young people to express their views on such topics as alcohol abuse, good relations and racism. The Youth Service also held consultations on its Customer Service Charter and Standards.

A huge consultation programme was undertaken by the Library Service involving the community at 21 public meetings across the area in a discussion about the future structure of the service.

In an effort to help create a well-informed community the Board's Library Service has developed an Area Local Studies Service which aims to preserve and make widely available local information resources. The service supported the Glens of Antrim Historical Society's on-line research project on clachans which can be accessed at [www.antrim.net](http://www.antrim.net)

#### Public Relations

The Board continued to engage proactively with the media during the year when there has been a sustained level of interest in the activities of the Board.

At a time when Board budgets had been under pressure and the rationalisation of schools and libraries had been a hot topic for discussion in the press, the degree of quality positive coverage reached 88 per cent of the total press coverage achieved, some 41,500 single column centimetres of editorial.

The advent of a new Ballymena-based radio station Seven FM has resulted in more local coverage of events with officers of the Board being interviewed for news items and regular education programmes which also featured input from local schools.

The year also saw the introduction of a new Communications Strategy document for the Board which included a programme of action designed to improve both internal and external communication by the Board and promoting greater stakeholder involvement.

## Supporting People

Internally, the new system of cascade core briefing was well received by staff while externally the continued development of the Board's website as a communications tool proved effective.



# Chapter 3

## Chapter 3



Delivering a Quality Service

# Delivering a Quality Service



## Delivering A Quality Service

A focus on best quality services coupled with effective use of resources are essential to the Board's ability to meet its responsibilities. The Board believes as a core value that management of resources is a foundation stone for delivering our services. The Board will continually strive to deliver quality by consulting with customers, being consistent in its approach and building review into its standard management practices.

The work in equality and human rights means that the Board is continually in touch with its customers, as well as its focus on ensuring that formal consultation takes place and that information is available to people through many media resources.

The Board strives to ensure that quality improves and uses industry standard tools as a framework for managing and measuring such change – for example in the use of the Business Excellence Model, the use of Charter Mark and the ISO standards for specific services.

Above all, delivering quality services depends on highly trained and well motivated staff. The Board will continue to develop staff and are committed to being Investors in People.

### Equality and Human Rights

This year offered the opportunity to take a look back and review the operation of the Equality scheme – a report on the progress made through the scheme was submitted to the Equality Commission. The Board continued to publish reports on policies screened and provided online access to an 'Equality Update' document. The Board continued to train staff in equality awareness and policy development.

### Social Inclusion

The Board promotes social inclusion through the Targeting Social Needs action plan.

The Board continued to involve stakeholders in 2005/06, hosting the Joint Consultative Forum for the Education Section. This is a new consultative mechanism which proved extremely valuable during both the consultation on Resource Allocation Plans and the Review of the Equality Scheme. The Chief Executive participated in the production of a multi-lingual welcome DVD for migrant workers and other ethnic minorities in the greater Antrim area. The DVD is a project of the 'Antrim Welcomes and Advocates Racial Equality' (AWARE) group.

Participation on the Ballymena Inter-Ethnic Forum has continued to develop and this resulted in a second edition of the 'Welcome Pack' which is to welcome new communities in the area.

The Library Service provided an educational programme based in Greenisland Library targeted to residents of Gortalee Ward, an area of social deprivation. This was funded by a Local Community Fund grant. ICT courses, Story Puppet sessions, an Irish History course and Essential Skills classes were amongst the activities and learning opportunities offered.

The Library Service completed three and began two new Family Learning courses combining the teaching of ICT or Story Sacks with Essential Skills across the Board's area including Greenisland, Harryville Primary School and the Women's Resource Centre, Ballymena, and Springfarm Community House, Antrim.

The Board delivered the Youth Education Social Inclusion Partnership (YESIP) project 'e-Learning Strategy for Pupils Educated at Educational Guidance Centres'. This EU project targets young people aged between 13 and 18 who are unable to participate in the school environment. In addition to providing training in ICT the project aims to provide better access to education and accreditation. Underpinning the work within the project is the use of ICT to foster co-operation, build capacity and develop networks of relationships.

## Continuous Improvement

This has been a significant year for the Board in its pursuit of continuous improvement in service delivery which was rewarded by the achievement of the European Foundation for Quality Management 'Mark of Excellence' award. Following a robust assessment by a team of five external assessors, the Board achieved 'Mark of Excellence' accreditation and the European 'Recognised for Excellence' award, scoring in the range 400-449 using the EFQM Excellence Model. This has surpassed our already excellent achievement of gold status. Charter Mark accreditation was maintained for the Library Service, the Youth Service and the Curriculum Advisory and Support Service with areas of best practice identified in each. The Charter Mark standard, which was revised in 2003, is a tool designed to help managers focus on, and improve, their customer service and delivery to users. Assessment using the standard identified 15 areas of best practice among Board Charter Mark services. During 2005/06, the Transport section of the Board maintained the ISO 9002 standard.

The five-Board Best Value Review of the Curriculum Advisory and Support Service was completed. This review involved extensive consultation with stakeholders in the service area and made recommendations for the future management and delivery of the Curriculum Advisory and Support Service.

All these external accolades are independent verification that the Board continually strives to examine practices to ensure that it continues to deliver the best possible services. Improvement activities continued to be focused and driven through corporate development seminars and other initiatives undertaken by individual services.

## Training and Development

The training and development section of the Board continued to lead the Investors in People Action Plan which built on the outcomes of previous assessment visits in 2004. Management skills and training have been a focus of the training plan and during this year six managers achieved Executive Diplomas in Management from the Chartered Management Institute.

While the finances available for training and development have been limited – there have been opportunities for development using in-house resources. Training resources were targeted to meet legislative requirements or job-specific requirements. For example, training was undertaken in new IT systems introduced to the Board in Human Resources and updates to training for IT systems, for example in the Library Management System.

The Staff and Corporate Development Group made important contributions to the development of staff during 2005/06 including the launch of an online induction programme for staff, a review conducted of the staff appraisal scheme and the development of a communication strategy for the Board.

## Information Systems

The business continued to be supported by ICT Management Services. This year saw the implementation of integrated pupil management systems. These systems provide enhanced management information in support of service delivery and business planning. Operationally these systems support education welfare, schools branch, psychology, enrolments for schools and special education.

New systems to support human resources and payroll were also implemented to replace a significantly aged system. Web developments continued to enhance services to the public – this year seeing the launch of a portal for parents and young people. This may be accessed at [www.education-support.org.uk](http://www.education-support.org.uk). This website won a Website of the Month Award in March 2006 at the prestigious BT Goldeneye Web Awards.

The NEELB site [www.neelb.org.uk](http://www.neelb.org.uk) has also continued to develop providing new information for people, with almost 30,000 hits per day. Jobs are advertised online and this continues to attract significant interest from the public. There is a rise of 25% in the number of people using the site.

## Accommodation

The management of estate in this period is characterised by a period of fundamental review on the condition of the Board's estate by conducting major condition surveys. Coupled with this has been the proactive management of estate to complement the shifts in service delivery patterns such as the establishment of a library network of flagship and satellite libraries.

Population shifts and patterns of choice for schooling have meant that there has been a growing number of surplus places in our classrooms. A programme of rationalisation has resulted in the closure of some schools and the overall strengthening of provision on fewer sites.

While some estate has been rationalised there has also been new build – for example two special schools have been built at Hillcroft and Roddensvale.

The Board has conducted Type 2 asbestos surveys on all relevant schools, youth centres, libraries and out-centres within the Board's area.

Asbestos management has been a major priority for the Board. A Priority Risk Assessment programme was conducted with over 7,000 incidences of Asbestos Containing Materials (ACMs) having been identified. The high risk areas were all removed and all other low and medium risk removals are planned.

## Compliance

Compliance and good governance are central to the management of the Board and its services. Within this year the Board has remained within budget and prudently managed its resources. Resources are targeted to priority outcomes by ensuring that Resource Allocation Plans (RAPs) are aligned to the Board's strategic priorities. Additional funding sources are continually sought. Many projects this year continued to be financed from externally sourced funding. The Board's officers have made extensive use of external funds including £427,000 for the Youth Service and £386,000 additional help for schools and youth groups. CASS ICT staff acquired EU funding of £142,000 over two years to operate the Digital Creativity Truck and a further £130,000 over three years for a YESIP programme for work in Educational Guidance Centres. The Personal Development team accessed a total of almost £140,000 for work in the health education field.

## Risk Management and Legislation

Risk Registers are maintained and the Board reviews these Risk Registers regularly.

Compliance with legislative requirements including the Freedom of Information Act (2000) and the Data Protection Act continued to be serviced. Over fifty freedom of information requests were dealt with during 2005/06. Work has continued to ensure that records are managed and has resulted in the creation of a new records store as well as tracking arrangements for the movement of files.

## Review of Financial Performance

### Recurrent

The Board's approved recurrent budgets for 2005/06 totalled £284.117m including End Year Flexibility carried forward from 2004/05 of £4.496m in respect of DE (Schools etc) and £229k in respect of DE (Youth and Community Relations).

The table on the following page shows the allocation to the Board from each sponsoring Department.

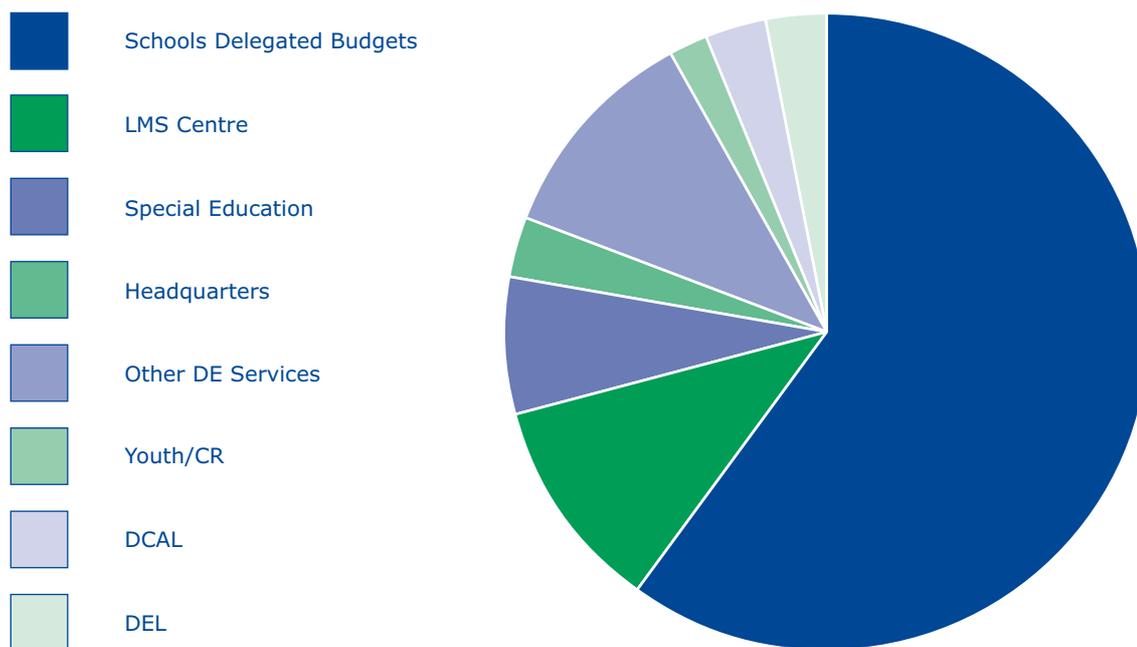
Delivering a Quality Service

	%	£000s
DE (Schools etc.)	92.99	264,201
DE (Youth/Community Relations)	1.54	4,377
DCAL	2.91	8,255
DEL	2.56	7,284
<b>TOTAL</b>	<b>100.00</b>	<b>284,117</b>

Expenditure against these budgets totalled £278.162m as set out in the table below

	£000s
Schools Delegated Budgets	168,864
LMS Centre	32,475
Special Education	18,244
Headquarters	7,220
Other DE Services	31,749
Youth/CR	4,289
DCAL	8,206
DEL	7,115
<b>TOTAL</b>	<b>278,162</b>

*Pie Chart showing percentage of expenditure of budgets*



## Capital

The Board's approved capital budgets for 2005/2006 totalled £17,562k including End Year Flexibility carried forward from 2004/2005.

The table below shows the allocation to the Board from each sponsoring Department.

	%	£000s
DE (Schools)	96.40	16,930
DE (Youth)	1.41	247
DCAL	1.80	316
DEL	0.39	69
<b>TOTAL</b>	<b>100.00</b>	<b>17,562</b>

Expenditure against these budgets totalled some £17.551m as set out in the table below:

	£000s
DE - Schools	
Major Works	6,914
Minor Works	6,819
Temporary Accommodation	375
Professional Fees	948
Vehicles	753
Furniture and Equipment	620
Computer Equipment	246
Purchase of Sites	251
DE Youth	247
DCAL	310
DEL	68
<b>TOTAL</b>	<b>17,551</b>





# Annual Accounts

Annual Accounts



## Foreword to the Accounts

### 1 Background Information

The North Eastern Education and Library Board (hereinafter referred to as 'the Board') is an executive non-departmental public body sponsored by the Department of Education, Department of Culture, Arts and Leisure and the Department for Employment and Learning. The Board's principal functions are the provision of education, library and youth services to the District Council areas of Antrim, Ballymena, Ballymoney, Carrickfergus, Coleraine, Larne, Magherafelt, Moyle and Newtownabbey.

These accounts have been prepared in a form directed by the Departments with the consent of the Department of Finance and Personnel in accordance with Article 12 of the Education and Libraries (N.I.) Order 2003. (A copy of the Accounts Direction can be found on page 77).

### 2 Brief History

#### Business Review

The Board produces an Annual Report of its activities and a full report is contained therein.

#### Results for the Year

The results for the year of the Board are set out in detail on page 50. The deficit for the year was £16,372,132 after charging notional costs of £18,211,662.

#### Fixed Assets

Details of the movement of fixed assets are set out in note 11 to the accounts.

The Board does not believe that there is any material difference between the market and book values of its land and buildings.

### 3 Future Developments

#### Major Works

The Board plans to progress the planning of the following major schemes to commence on site during 2006/07:

Replacement school buildings at Moorfields Primary School, Ballymena, Fourtowns Primary School, Ahoghill, Carnalridge Primary School, Portrush and Magherafelt Primary School.

School meals accommodation at St.Patrick's and St.Brigid's Primary School, Ballycastle, Ballymena Maintained Primary Schools, St.MacNissius' Primary School, Tannaghmore, and Holy Family Primary School, Magherafelt.

The Board will also progress the planning of the following major schemes, with construction work to commence on site during the 2007/08 financial year:

Replacement school buildings at Templepatrick Primary School, Whitehouse Primary School, Magherafelt High School and Parkhall College, Antrim.

Planning continues on PPP schemes in relation to Coleraine College and Ballymoney High School.

Under the Strategic Investment Programme work is due for completion on replacement buildings at Leaney Primary School, Ballymoney, Camphill Primary School, Ballymena and Mossley Primary School, Newtownabbey.

Foreword to the Accounts

Economic appraisals will be completed in respect of:

*Post Primary Schools*

- Crumlin High School
- Ballycastle High School
- Larne High School
- Cambridge House Grammar School
- Coleraine High School

*Primary Schools*

- Whiteabbey Primary School
- Straid Primary School

*Special Schools*

- Ballymena Special Schools

**Minor Works**

During 2006/2007 it is the Board's intention to continue its minor works programme at various locations throughout the Board's area. In addition, the Board will progress a number of schemes under the Disability Access programme.

Under the Specialist Accommodation Programme construction will continue on the Science extension at Newtownabbey Community High School.

**4 Important Events Occurring After The Year End**

There have been no significant events since the year end, which would affect these accounts.

**5 Charitable Donations**

During the year the Board made no donations for charitable or political purposes.

**6 Board Members**

The Board was reconstituted on 1 July 2005. As Local Government elections took place on 5 May 2005, Members of District Councils retired together, four days later, on 9 May 2005; all other members were retired on 30 June 2005. The new Board was reconstituted by the Minister of Education on 1 July 2005 and the first meeting of the new Board took place on 25 August 2005.

The following served as Board Members during the year:

April 2005 - June 2005	July 2005 - March 2006
Mrs J Christie (Chairperson)	Rev D S Graham (Chairperson)
Mr J C Reid (Vice-Chairperson)	Mr J R Beggs (Vice-Chairperson)
Mr D D Barbour	Mrs O M Church
Mr J R Beggs	Mr T C Clarke
Mr R F Cavan	Mrs J Crilly
Mrs O M Church	Mrs M W Crockett
Mrs J M Crilly	Mr J R Donaghy

## Foreword to the Accounts

April 2005 - June 2005	July 2005 - March 2006
Mrs M W Crockett	Mrs U Duncan (Appointed 1 September 2005)
Mr J K F Currie	Mr J F Finlay
Mr M P Devine	Mrs L Frazer
Mrs U M Duncan	Mr O C A Frawley
Mrs L Frazer	Mrs E M L Green
Mr J A Gaston	Rev J T Jamieson
Mrs P A Gillespie	Mr M J Johnston
Rev D S Graham	Mr J F Kerr
Mrs L A Hicklin	Mr N S Macartney
Rev J T Jamieson	Mrs L Marsden
Mr M J Johnston	Mr W McCartney
Mr K M McCann	Mr S A McCrea
Mr A P McConaghy	Mr D McLarnon
Mr S A McCrea	Mr O McMullan
Mr P G McShane	Mr A McQuillan
Mr N S Macartney	Mr N C Murray
Mr N C Murray	Mr H Nicholl
Mr H Nicholl	Mrs U O'Kane
Mrs C M Poots	Dr J A Preston
Rev R B Savage	Mr S Polley (Appointed 31 March 2006)
Rev T Scott	Mr W Raven
Mr R Thompson	Prof N Reid Birley
Mrs C Wegwermer	Mr J C Reid
	Mr D Ritchie
	Rev T Scott
	Mr R Stirling
	Mr R J Thompson
	Mrs D Walker

## 7 Disabled Employees

The Board actively encourages applications for employment from disabled persons where the requirements of the job may be adequately performed by a disabled person.

Where existing employees become disabled it is the Board's policy wherever possible to provide continuous employment under normal terms and conditions and to provide training and career development and promotion where appropriate.

## Foreword to the Accounts

## 8 Payments To Suppliers

### Public Sector Payment Policy – Measure of compliance:

The Government requires that the Board pays its trade creditors in accordance with the Better Payment Practice Code and Government Accounting Rules. The Board's payment policy is consistent with the Better Payment Practice Code and Government Accounting Rules and unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods and services, or presentation of a valid invoice or similar demand, whichever is later. The measure of compliance is:

	Based on Invoice Date		[Based on Date Invoice Received]	
	Number	£000	[Number	£000]
Total bills paid	145,534	107,268	145,534	107,268
Total bills paid within target	81,906	89,592	145,534	107,268
% of bills paid within target	56.28	100.00		

## 9 Employee Involvement

During the year the policy of providing employees with information about the Board has been continued through regular distribution of circulars. Regular meetings are held between staff at different levels to allow a free flow of information and ideas. Team Briefing was introduced to improve communication to all employees within the Board.

## 10 Company Directorships And Other Significant Interests

A register of member's interests is available and can be inspected on application to the Chief Executive's office.

## 11 Auditor Details

The Principal Auditor is the Northern Ireland Audit Office, 106 University Street, Belfast, BT7 1EU.

COST OF AUDIT	£000
Audit Services (notional cost)	37
Further Assurance Services	-
Tax Services	-
Other Services	-

The services provided relate to the statutory audit of the financial statements.

There were no non-audit services provided by the Principal Auditor.

## 12 Remuneration Report

### Board Members

The Chairperson of the Board is paid by the Board for duties carried out as Chairperson at a rate

and on such conditions as determined by the Department of Education, with the approval of the Department of Finance and Personnel. The Board makes payments to Board members in relation to their functions as members, at such rates and on such conditions as determined by the Department of Education. Board members also receive travelling and subsistence allowances for expenditure incurred, at such rates and on such conditions as determined by the Board, subject to the approval of the Department of Education.

### Chief Executive and Second Tier Officers

The remuneration of the Chief Executive and second tier officers is performance based. The Board Chairperson, with the Remuneration Committee of the Board, determines the performance of the Chief Executive, which is then subject to the approval of the Department of Education. The Chief Executive determines the performance of the second tier officers in accordance with an agreed performance related pay scheme. The Senior Management Pay Review Panel submits to the Department a recommendation on the appropriate percentage ceiling for performance-related uplifts having regard to relevant information and other factors including pay movements in the public and private sectors and patterns of recruitment. The Department of Education considers the advice of the Panel and determines the overall maximum percentage uplift to be applied.

#### Remuneration Committee Members

April 2005 - June 2005	July 2005 - March 2006
Mr D Barbour Retired 9 May 2006	Mr J R Beggs
Mrs J Christie	Rev D S Graham
Mr J K F Currie Retired 9 May 2006	Mr S A McCrea
Mr S A McCrea	Mr D McLarnon
Mr N C Murray	Mr N C Murray
Mrs C M Poots	Mr H Nicholl

### Service Contracts

Officer appointments are in accordance with the Joint Negotiating Council for the Education and Library Boards (JNC) terms and conditions and in particular are in accordance with the Staff Commission for Education and Library Boards Code of Procedures on Recruitment and Selection.

Unless otherwise stated overleaf, the officers covered by this report hold appointments which are open ended until they reach normal retiring age of 65. The normal period of notice is 3 months. Policy on termination payments in relation to premature retirement is in accordance with Local Government Regulations and the Statutory Redundancy provisions.

## 12 Remuneration Report (cont'd)

### Salary

Salary includes gross salary excluding employer's costs plus taxable travel payments and is based on actual payments made by the Board.

### Emoluments of Senior Post Holders and Members

#### Senior Post Holders

	Salary 2006	Benefits in kind 2006	Salary 2005 (Note a)
	£	£	£
Mr G Topping <i>Chief Executive</i>	88,602	4,761	88,602
Mr R Harper <i>Chief Administrative Officer</i>	62,370	2,964	62,370
Mr G Irwin <i>Senior Education Officer</i>	67,209	-	67,140
Mr A Moody <i>Project Manager – PFI/PPP</i>	65,802	-	65,745
Mr S McCurdy <i>Chief Finance Officer</i>	67,176	-	67,140
Mrs A Connolly <i>Director of Corporate &amp; Library Services</i>	56,388	-	47,108

## Foreword to the Accounts

Benefits in kind 2005	Real increase in pension at 65	Total accrued pension at 65 at 31/03/06 (Note b)	Value of cash equivalent transfer at 1/04/05	Value of cash equivalent transfer at 31/03/06	Real increase in cash equivalent transfer value during year
£	£	£	£	£	£
2,953	131	37,286	639,646	672,585	26,897
2,749	115	25,397	397,134	421,835	17,139
-	122	26,950	438,484	461,857	18,739
-	369	17,139	258,660	282,595	16,952
-	415	16,102	181,781	196,353	12,294
-	149	20,804	322,774	343,707	14,788

**Notes:**

a Where the requirements of a post include the use of a car, the Board offers a loan. Interest is payable at a rate of (4.45%) on the initial amount of capital borrowed. Repayments of capital and interest are deducted from pay on a monthly basis.

There are no (2005: none) loans outstanding at the year-end to Senior Postholders.

b For each of these members of the NILGOSC Pension Scheme, a lump sum equal to three times the total accrued pension at 31 March 2006 is also payable on retirement.

## Foreword to the Accounts

Board Members	2006 £
The total emoluments (incl. honoraria) of the 2 Chairmen serving during the year were	8,505
The highest payment for any other Board member was	1,410
The aggregate amount of Board members emoluments was	24,906

No members waived emoluments. However, (10) members made no claim for emoluments during the year.

The number of Board members who received emoluments falling within the ranges below:

	2006 Number	2005 Number
£1 - £4,999	38	29
£5,000 - £5,999	-	-
£6,000 - £6,999	1	-
£7,000 - £7,999	-	-
£8,000 - £8,999	-	-
£9,000 - £9,999	-	-
£10,000 - £10,999	-	1
£11,000 - £11,999	-	-
£12,000 - £12,999	-	-
£13,000 - £13,999	-	-
£14,000 - £14,999	-	-
£15,000 - £15,999	-	-

Please note figures for 2006 are based on numbers and emoluments for BOTH retired and current Board Members who served during 2005/06.

Chairman: D S Graham

Date: 28 November 2006

Chief Executive: G Topping

Date: 28 November 2006

## Statement of the Board and Chief Executive's Responsibilities

Under Article 12 of the Education and Libraries (N.I.) Order 2003 the Board is required to prepare a statement of account in the form and on the basis directed by the Departments with the consent of the Department of Finance and Personnel.

The accounts are prepared on an accruals basis and must give a true and fair view of the Board's state of affairs at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Board is required to:

- Observe the Accounts Direction issued by the Departments including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Board will continue in operation.

The Accounting Officers of the Departments have designated the Chief Executive of the Board as the Accounting Officer for the Board. The Chief Executive's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, as set out in the non-departmental public bodies Accounting Officers Memorandum, issued by the Department of Finance and Personnel.

Gordon Topping  
Accounting Officer

Date: 28 November 2006

## Statement on Internal Control 2005/2006

### 1 Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Board policies, aims and objectives, while safeguarding the public funds and the Board's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting Northern Ireland.

I provide assurance in respect of expenditure incurred by the Board on programmes and schemes funded by the Department for Employment and Learning and in respect of the Board's adjudication on entitlement to student loans and awards. In addition, audit certifications have been issued as required in respect of entitlement to student loans and awards, and relevant internal audit reports have also been forwarded to the Department for Employment and Learning.

I am responsible for maintaining administrative structures which enable the Board to discharge its statutory duties which takes into account working with the Board's sponsoring departments, other education and library boards and education, youth and library partners. The achievement of these responsibilities is discussed at regular Accountability Review meetings with the Permanent Secretary of the Department of Education and arrangements are in place to hold Accountability Review meetings with the Department for Employment and Learning and the Department of Culture, Arts & Leisure as required. On these occasions I normally accompany the Chairman of the Board.

### 2 The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to:-

- identify and prioritise the risks to the achievement of Board policies, aims and objectives
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place for the year ended 31 March 2006 and up to the date of approval of the Annual Report and Accounts, and accords with DFP guidance.

### 3 Capacity to Handle Risk

Leadership has been given to the risk management process by senior management ensuring that all service managers review and evaluate their key risks and controls on a regular basis.

The Board has a Risk Management Strategy and Policy which are developed by the Senior Management Team and are endorsed by the Audit Committee. These documents specify the risk management process within the Board and sets out the roles and responsibilities of officers and members.

Internal Audit has provided assistance and written guidance to all service managers concerning the evaluation of risks and the completion of the required documentation.

## 4 The Risk and Control Framework

The Risk Management Strategy for the NEELB details a formal process for identifying, assessing, managing and monitoring risks faced by the Board, including a prioritisation methodology based on risk ranking of impact and likelihood.

Risk management is also a feature within the corporate and service development planning process. The senior management team have considered the Board's objectives as detailed in the corporate plan and from these have identified corporate risks. Service managers, when completing their annual business plan, consider the risk impact of any proposed actions.

Each service manager is responsible for

- identifying inherent and residual risks for their service
- evaluating these risks in terms of impact and likelihood; and
- establishing an adequate control mechanism, commensurate with the perceived level of risk.

This information is forwarded to the relevant Head of Department who determines whether the relationship between risk and control is appropriate.

Risk appetite is considered low when factors such as health and safety, delivery of major projects, government targets, budgetary control and fraud are involved.

## 5 Review of Effectiveness

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the heads of department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board, through its committees, maintains and reviews the system of internal control within the business divisions by continually monitoring the service being provided to customers to ensure it meets objectives set in the respective divisional Business Plans. Updates on Business Plans are provided to relevant committees on a termly basis. The Chairperson of the Audit Committee reports to the Board as a whole on audit activity including risk management on a regular basis.

All financial arrangements complied with the terms of the current relevant Dear Accounting Officer Letters (DAO's) issued by the Department of Finance and Personnel. In particular, grant and grant in aid received from the Departments has been used for the purposes intended; there was no novel or contentious expenditure for which the Department's or/and DFP's approval was not obtained; and all other financial transactions conformed to the authorities which governed them, including delegated authority to commit or incur expenditure and approvals sought from the relevant Department where required.

Registers of Board members and staff interests have been established and are updated annually. Codes of Conduct for Board members and staff have also been established.

An appropriate Anti-Fraud Policy and Anti-Fraud Response Plan has been developed and implemented. All suspected and proven frauds have been notified to the Department in accordance with agreed procedures and there are no suspected frauds that have not yet been notified.

Appropriate complaints procedures for students, staff and the general public have been developed and implemented, including facilities under Whistleblowing arrangements to complain direct to outside Agencies.

## Statement on Internal Control 2005/2006

Performance was monitored against both business objectives and the effectiveness of internal control arrangements. Throughout the financial year 2005/2006 internal control was adequate to provide reasonable assurance of:

- effective and efficient operations;
- integrity and accuracy of management information;
- the safeguarding of assets; and
- compliance with applicable laws and regulations.

The Board via the Audit Committee receive periodic reports concerning internal control. There is a minimum of three Audit Committee meetings a year. Representatives of the Northern Ireland Audit Office (NIAO) also attend the meetings and outline for the Committee their main findings and recommendations from their audits of the annual accounts and value for money reviews. The Board has an Internal Audit Branch, which operates to the Government Internal Audit Standards defined by HM Treasury. Internal Audit submits regular reports to the Audit Committee, including the Head of Internal Audit's opinion on the adequacy and effectiveness of the Board's system of internal control.

## 6 Significant Internal Control Problems

As Accounting Officer I am responsible for expenditure, targets and controls concerning all activities within the NEELB. However, the level of authority or control that I have with regard to the Board's role in managing teacher absence and the planning and development of the school estate (including PPP Projects) is limited to those schools where the Board is the employing authority, i.e. the controlled sector.

Progress on schools PPP projects has been affected by ongoing discussions with the Department of Education regarding affordability. This delay could result in increased costs in both the PPP project (via the unitary charges) and in the ongoing maintenance of the buildings currently occupied by these schools.

During 2003/04 a review of principals and vice principals pay flexibilities identified a number of control weaknesses. The Chief Executives of the five Boards agreed a revised control framework which was forwarded to the Department of Education (DE) which is responsible for the payment of teachers' salaries. The concerns expressed by the Chief Executives are currently being addressed by a Committee which is dealing with revised arrangements for Principals and Vice Principals. However, for the 2005/2006 year the issues identified during the 2003/2004 year remain unchanged.

An audit by DE internal audit on the Teachers Payroll Branch in 2004/2005 identified a number of concerns which meant they were unable to provide the NEELB with a level of assurance that would be considered reasonable given the importance of this system. A follow-up audit, while highlighting improvements in the system, has still not provided an acceptable level of assurance.

The Board's computerised financial systems do not easily facilitate in year completion of accounts on an accruals basis leading to an increased risk of budget overspend due to in year revenue budget monitoring on a cash basis. Monthly management information, therefore, is based on cash expenditure adjusted for known accruals (e.g. Job Evaluation Arrears, Pay Awards Outstanding, Prepayments). The Boards are currently investigating methods of improving the capture of accruals utilising IT, and it is proposed by Chief Finance Officers that this be taken forward through a project on e-procurement.

The current timescale for informing Boards of their initial allocation creates difficulties in ensuring corporate planning priorities adequately reflect the actual resources available to the Board. This delay also has implications for the timescale of the Board in setting budgets for the year and the availability of accurate budgetary information at the beginning of the financial year. The Chief Finance Officers have suggested to colleagues in the Department of Education that a Financial Planning Forum be established in order to ensure maximum involvement in and awareness of the all the parties in forecasting the financial resources likely to be made available and in assessing the potential consequences on planning priorities.

The Board, as part of its Accounting Policy, is required to ensure that a full revaluation of the estate takes place at least once in every five year period. This revaluation for NEELB, and other ELBs, is required to be complete by 31 March 2008. This process is extremely complex and time consuming for ELB staff and for the staff of the Valuations and Lands Agency (VLA) who carry out the valuation process. The Chief Finance Officers have sought assurances from the VLA that it will be in a position to meet its obligations in carrying out the revaluation of the Education Estate. Such assurances were received from the VLA on 2 June 2006.

The Board's non teaching employees belong to the Northern Ireland Local Government Officers Superannuation Scheme (NILGOSC). The latest actuarial valuation at 31 March 2004 identified a past service deficit of £392m and even though employer contribution rates will increase to 13% in 2007/2008 this is not expected to recover any part of the deficit. Such recovery has therefore been delayed until the next three year period from 1 April 2008 when a target rate of 17.3% is anticipated but this will be reviewed at the next valuation.

A review of the Special Educational Needs system identified the need for improved management information in relation to expenditure and absence monitoring. An action plan will be implemented during the 2006/2007 financial year to address these issues.

The shortfall in the budget allocation for 2005/06 and the consequent reduction in the programme of planned maintenance has impeded the achievement of the Public Service Agreement (PSA) targets set by the Department of Education.

The Board has reviewed its position in relation to the recommendations emanating from the Jack Report into the Financial Management Arrangements within BELB and SEELB and the HELM Review of ELB Resource Budgeting, Accounting and Financial Control, Monitoring and Reporting Arrangements.

Whilst Board officers have identified a number of areas for improvement, it is reassuring to note that current arrangements within the North Eastern Education and Library Board appear, in the main, to address the recommendations from these reports. Board officers continue to work with colleagues in other Boards and the sponsoring Departments to ensure full implementation of all recommendations.

## 7 Assurance

On the basis of the above, I am satisfied that I am able to provide reasonable assurance on the adequacy of the system of internal control in place within the North Eastern Education and Library Board for the year ended 31 March 2006.

Gordon Topping  
Accounting Officer

Date: 28 November 2006

## The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly

I certify that I have audited the financial statements of the North Eastern Education and Library Board for the year ended 31 March 2006 under the Education and Libraries (NI) Order 2003. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

### Respective responsibilities of the Board, Chief Executive and Auditor

The Board and Chief Executive are responsible for preparing the Annual Report and the financial statements in accordance with the Education and Libraries (NI) Order 2003 and the Department of Education's directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Board and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Education and Libraries (NI) Order 2003 and the Department of Education's directions made thereunder. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the Board has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 44 to 47 reflects the Board's compliance with the Department of Finance and Personnel's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Board's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the unaudited part of the Remuneration Report and the Management Commentary. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Board and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Board's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material

misstatement, whether caused by fraud or error and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Education and Libraries (NI) Order 2003 and directions made thereunder by the Department of Education, of the state of Board's affairs as at 31 March 2006 and of its deficit for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Education and Libraries (NI) Order 2003 and Department of Education's directions made thereunder; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

J M Dowdall CB  
Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

Date: 7 February 2007

## Income and Expenditure Account for the Year Ended 31 March 2006

## Income and Expenditure Account for the Year Ended 31 March 2006

	Notes	2006 £000	2005 £000
<b>Income</b>			
Grant from Departments	2	291,441	271,105
Other grant income	3	1,557	1,452
Other operating income	4	10,907	10,870
<b>Total Income</b>		<b>303,905</b>	<b>283,427</b>
<b>Expenditure</b>			
Staff costs	6	224,709	207,384
Depreciation	11	12,617	11,898
Other operating expenses	7 & 10	64,738	66,114
Notional costs	8	18,212	15,575
<b>Total Expenditure</b>		<b>320,276</b>	<b>300,971</b>
<b>Surplus/(Deficit) for the year</b>		<b>(16,371)</b>	<b>(17,544)</b>
Credit in respect of notional costs	8	18,212	15,575
<b>Amount Transferred to Reserves</b>	19	<b>1,841</b>	<b>(1,969)</b>

All amounts above relate to continuing activities.

The notes on pages 54 to 76 form part of these accounts.

## Statement of Total Recognised Gains and Losses for the Year Ended 31 March 2006

## Statement of Total Recognised Gains and Losses for the Year Ended 31 March 2006

	Notes	2006 £000	2005 £000
<b>Surplus/(Deficit) for the year</b>		(16,371)	(17,544)
Net surplus/(deficit) on revaluation of fixed assets	20	91,976	51,975
Backlog Depreciation	20	-	-
<b>Total recognised gains/(losses) for the year</b>		<b>75,605</b>	<b>34,431</b>

The notes on pages 54 to 76 form part of these accounts.

## Balance Sheet as at 31 March 2006

## Balance Sheet as at 31 March 2006

	Notes	2006 £000	2005 £000
<b>Fixed Assets</b>			
Tangible Assets	11	565,059	467,985
<b>Current Assets</b>			
Stocks	12	216	197
Debtors	13	24,353	19,764
Cash at bank and in hand	22(v)	132	58
		<b>24,701</b>	<b>20,019</b>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	14	(25,326)	(21,057)
<b>Net Current Assets</b>		(625)	(1,038)
<b>Total Assets less Current Liabilities</b>		<b>564,434</b>	<b>466,947</b>
Creditors: amounts falling due after more than one year	15	-	(8)
Provisions for Liabilities and Charges	17	(3,930)	(5,571)
Deferred Income	18	(857)	(650)
<b>Net Assets</b>		<b>559,647</b>	<b>460,718</b>
<b>Reserves</b>			
Income and Expenditure Reserve	19	(5,999)	(6,694)
Other Reserves	20	565,646	467,412
		<b>559,647</b>	<b>460,718</b>

The Financial Statements on page 50 to 76 were approved by the Board on 28 November 2006 and were signed on its behalf by:

Chairman: D S Graham

Date: 28 November 2006

Chief Executive: G Topping

Date: 28 November 2006

The notes on pages 54 to 76 form part of these accounts.

## Cash Flow Statement for the Year Ended 31 March 2006

## Cash Flow Statement for the Year Ended 31 March 2006

	Notes	2006 £000	2005 £000
Net cash (outflow)/inflow from operating activities	22 (i)	379	386
Returns on investments and servicing of finance	22 (ii)	2	3
Capital expenditure and financial investment	22 (iii)	(17,897)	(1,083)
Net cash (outflow)/inflow before financing		(17,516)	(694)
Financing	22 (iv)	17,264	-
<b>Increase/(Decrease) in Cash</b>		<b>(252)</b>	<b>(694)</b>

The notes on pages 54 to 76 form part of these accounts.

## Notes to the Financial Statements for the Year Ended 31 March 2006

### 1. Statement of Accounting Policies

#### 1.1 Accounting Convention

These financial statements have been prepared in accordance with the Accounts Direction issued by the Departments on 30 March 2006 and in accordance with applicable Accounting Standards under the modified historic cost convention.

Without limiting the information given the financial statements comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, the accounting standards issued or adopted by the Accounting Standards Board and accounting and disclosure requirements issued by the Department of Finance and Personnel, insofar as those requirements are appropriate.

#### 1.2 Recognition of Income

The final approved resource allocation plan (RAP) (recurrent) from the Department of Education is included in the income and expenditure account to the extent of matching the relevant expenditure incurred during the period. Where expenditure incurred exceeds/is less than cash received a Departmental debtor/creditor is created. Where expenditure incurred is less than the final approved resource allocation (recurrent) a funding commitment is disclosed. However, reference should be made to note 5 for further detail.

The annual recurrent allocations from the Department for Employment and Learning, Department of Culture, Arts and Leisure and the Department of Health and Social Services and Public Safety are intended to meet recurrent costs, which are credited to the income and expenditure account.

Grant from other bodies received for specific purposes, that is restricted income, are included in the income and expenditure account to the extent of matching the relevant expenditure incurred during the period. Restricted income received but not matched to relevant expenditure during the period is shown as deferred income on the balance sheet.

Income from services rendered is included to the extent of the completion of the contract or service concerned. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

#### 1.3 Foreign Currency Transactions

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

#### 1.4 Taxation

The Board is exempt from corporation tax on income it receives.

Items in the Income and Expenditure account are net of recoverable VAT.

#### 1.5 Fixed Assets

All spending on a fixed asset which yields a benefit for a period of more than one year, is treated as capital expenditure in the accounts. This excludes expenditure on repairs and maintenance of fixed assets which only maintains the value of the asset.

### 1.5.1 Land and Buildings

All land and buildings are capitalised and stated in the balance sheet at valuation on the basis of depreciated replacement cost. The 5 boards have agreed a 5 year rolling programme of full valuations with the Valuation and Lands Agency (VLA). Full valuations are made by the Valuation and Lands Agency (VLA) every five years and in the intervening years these valuations are updated by the VLA using appropriate indices. Land and buildings acquired during the year are included in the balance sheet. Completed building projects will be capitalised but not depreciated until commissioned. On-going building projects are categorised as assets in the course of construction and shown separately. Project costs capitalised include design and related fees as well as construction costs. Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a Government Grant reserve and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis which is consistent with the depreciation policy.

### 1.5.2 Maintained Schools

Land and buildings shown in the financial statements do not include any maintained schools, the assets of which belong to their trustees. The Board, however, is responsible for buildings and grounds maintenance at these schools, as well as providing them with certain other services and with 100% funding for general running costs under LMS. These costs are reflected in the Board's Income and Expenditure Account.

### 1.5.3 Donated Assets

Donated tangible fixed assets are capitalised at their valuation on receipt. This value is credited to the donated asset reserve. Subsequent re-valuations are also taken to this reserve. Each year an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the Income and Expenditure Account.

### 1.5.4 Assets other than Land and Buildings

Assets other than land and buildings costing less than £3,000 per individual item are written off to the income and expenditure account in the period of acquisition. Assets are valued each year using appropriate indices or professional valuations.

### 1.5.5 Depreciation

Depreciation is provided for all fixed assets with a finite useful life, by allocating the cost (or revalued amount) less estimated residual value of the assets as fairly as possible to the periods expected to benefit from their use. Useful lives are estimated on a realistic basis, reviewed annually and adjusted prospectively over the revised economic life where appropriate.

All assets are depreciated on a straight line basis over their expected useful lives. A full months depreciation is charged in the period of acquisition/commissioning and no depreciation charged in the month of disposal. Assets in the course of construction are not depreciated until brought into use. Depreciation will not normally be provided for on freehold land unless subject to depletion or on assets which are identified as surplus to requirements and held pending disposal.

The following useful economic lives should where necessary be used as approximations to the levels estimated annually:

Asset Class	Asset Sub-Class	Asset Life
Lands	Land	Not Depreciated
Buildings	Permanent Buildings	50 years
	Temporary Buildings	15 years

## Notes to the Financial Statements for the Year Ended 31 March 2006

Asset Class	Asset Sub-Class	Asset Life
Computers	Hardware and Software	3 years
Plant and Equipment	Reprographics	7 years
	Machinery	15 years
	Music	10 years
	Grounds Maintenance	7 years
	General and Other	10 years
	Cleaning	7 years
Vehicles	Small Mini-buses	5 years
	33 Seater Mini-buses	10 years
	> 33 Seater Mini-buses	14 years
	Vans	5 years
	Grounds Maintenance	7 years
	Mobile Libraries	10 years
	Cars	4 years
Miscellaneous	Library Books - Books and Collections	Not Depreciated

Where these assets are acquired with the aid of specific grants the asset is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a Government Grant reserve and released to the income and expenditure account over the expected useful economic life of the related asset.

### 1.6 Stocks

It is policy to carry stock for the meals service and maintenance and central depots.

Stocks are stated at the lower of current replacement cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

### 1.7 Pension Scheme

The Board's employees belong to two principal schemes, the Teachers' Superannuation Scheme (TSS), the Northern Ireland Local Government Officer's Superannuation Committee Scheme (NILGOSC).

The Teachers' Superannuation Scheme is a contributory scheme administered by the Department of Education. The conditions of the Superannuation (NI) Order 1972, the Teachers' Superannuation Regulations (NI) 1977 and subsequent amendments apply to the scheme. The scheme is presently notionally funded. The rate of the employer's contribution is determined from time to time by the Government actuary and advised by the Department of Finance and Personnel. The scheme is administered by the Department of Education, Rathgael House, Balloo Road, Bangor.

The Northern Ireland Local Government Officers' Superannuation Committee Scheme is of the defined benefits type, the assets of the schemes being held in separate trustee administered funds. The Board's contribution to the Northern Ireland Local Government Pension Scheme is determined by the fund's actuary based on a triennial valuation. The scheme is administered by NILGOSC, Holywood Road, Belfast.

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method.

### 1.8 Nature of substantial reserves

- The Income and Expenditure Reserve balance represents the balance of revenue income over expenditure. A surplus can be used to supplement income in future years.

#### Other Reserves

- The Schools Reserve is the cumulative unspent portion of schools' locally administered budgets. These were set up under the Local Management in Schools arrangements required by the Education Reform Northern Ireland Order 1989.
- The Grant Reserve represents the surplus of grant income over expenditure.
- The Donated Assets Reserve and Revaluation Reserve will depend on the application of the accounting guidance for Non Departmental Public Bodies.
- The Government Grant Reserve represents the movement of fixed assets in line with the accounting guidance for Non Departmental Public Bodies.
- The General Reserve represents the proceeds of the sale of non-property assets, in line with latest accounting guidance for Non Departmental Public Bodies.
- The Special Book Reserve represents the valuation of the special library book collection.

### 1.9 Finance and Operating Leases

Operating lease rentals are charged to the Income and Expenditure account in equal annual amounts over the lease term. Leasing agreements which transfer to the Board substantially all benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright.

The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against income in proportion to the reducing capital element outstanding. Assets held under finance lease are depreciated over the useful lives of equivalent owned assets.

### 1.10 Private Finance Initiative

The Board follows HM Treasury's "Technical Note 1 (Revised) How to Account for PFI Transactions" which provides guidance for the application of the FRS 5 Amendment.

The South Eastern Education and Library Board has responsibility on behalf of all 5 Boards for the Board's Oracle financial IT system. This is a PFI scheme, the purpose of which is to provide an IT system to support the financial and management needs of the Boards in light of the requirements of Resource Accounting.

The Western Education and Library Board has responsibility on behalf of all five Boards for the Classroom 2000 Project. This is a PFI scheme, the purpose of which is to design, develop and operate an ICT infrastructure to support the curriculum, management and information needs of the major bodies within the Education Service in Northern Ireland.

The North Eastern Education and Library Board has responsibility on behalf of all five Boards for the Electronic Libraries for Northern Ireland (ELFNI) Project. This is a PFI Scheme to deliver public access to electronic information through the public library network and to provide new Library management systems.

## Notes to the Financial Statements for the Year Ended 31 March 2006

## 2. Grant from Departments

Department of Education, Department of Culture, Arts and Leisure and Department for Employment and Learning

	2006 £000	2005 £000
<b>Recurrent Grant</b>		
- Grant-in-Aid	270,928	252,076
- Higher Education Bursaries	4,430	4,252
- Mandatory Awards	379	422
- Premature Retirement Compensation Pensions	1,816	1,541
- Premature Retirement Compensation Lump Sums	807	471
- Release of Government Grant Reserve	12,622	11,891
	<u>290,982</u>	<u>270,653</u>

Department of Health and Social Services and Public Safety

<b>Recurrent Grant</b>		
- Mandatory Awards	459	452
	<u>291,441</u>	<u>271,105</u>

## 3. Other Grant Income

	2006 £000	2005 £000
European Funds	967	798
New Opportunities Fund	590	654
Other Funds	-	-
	<u>1,557</u>	<u>1,452</u>

## 4. Other Operating Income

	2006 £000	2005 £000
Catering operations	6,627	6,529
Other income generating activities	1,705	1,617
Interest Receivable	2	3
Miscellaneous	2,573	2,721
	<u>10,907</u>	<u>10,870</u>

## 5. Funding Commitment/End Year Flexibility

The following funding commitment or end year flexibility from the Departments have not been accrued as income:

	2006 £000	2005 £000
Amount of Grant formally committed:		
Department of Education	5,737	4,725
	<u>5,737</u>	<u>4,725</u>

The funding commitment or end year flexibility represents a guaranteed resource which will be added to the Board's approved spending limit in the next financial year.

## 6. Staff Costs

The average number of persons (including Senior Postholders) employed by the Board during the year and staff costs are as follows:-

Staff costs:

	2006 £000	2005 £000
<b>Teaching</b>		
Wages and salaries	125,218	120,811
Social security costs	10,151	9,902
Pension Costs	17,260	8,293
Other Employee Expenses	4,343	3,063
	<u>156,972</u>	<u>142,069</u>
<b>Non-Teaching (including Board Members)</b>		
Wages and salaries	58,751	59,590
Social security costs	3,435	3,318
Pension Costs	3,924	2,112
Other Employee Expenses	1,627	295
	<u>67,737</u>	<u>65,315</u>
<b>Total</b>	<b><u>224,709</u></b>	<b><u>207,384</u></b>

Average staff numbers:

	2006 Number	2005 Number
Teaching	4,605	4,681
Non-Teaching	6,638	6,463
<b>Total</b>	<b><u>11,243</u></b>	<b><u>11,144</u></b>

## Notes to the Financial Statements for the Year Ended 31 March 2006

FREM Guidance requires separate disclosure in respect of staff on inward secondment or loan as well as agency, temporary and short term contract staff, if significant. It is expected that full disclosure will be made after full implementation of the new payroll/HR system.

## 7. Other Operating Expenses

	2006 £000	2005 £000
<b>Departments</b>		
Premises, Fixed Plant & Grounds	16,411	15,876
Supplies & Services	18,625	19,544
Transport	17,473	17,776
Establishment	3,273	3,677
Grants to Persons/Bodies	8,064	8,304
Permanent Impairment of Fixed Assets	-	-
Profit/(Loss) on disposal of fixed assets	5	(7)
Miscellaneous	430	492
	<u>64,281</u>	<u>65,662</u>

### Department of Health and Social Services and Public Safety

Grants to Persons/Bodies	457	452
	<u>64,738</u>	<u>66,114</u>

Other operating expenses include:

	2006 £000	2005 £000
Operating leases - hire of plant and machinery	236	225
Operating leases - property	202	192
Hospitality	-	-
P.F.I.	3,472	3,335
	<u>3,910</u>	<u>3,752</u>

## Notes to the Financial Statements for the Year Ended 31 March 2006

## 8. Notional Costs

	2006 £000	2005 £000
Auditors Remuneration	37	37
Valuation and Land Agency	-	-
Teachers' Payroll	318	300
Use of Capital	17,856	15,238
	<b>18,211</b>	<b>15,575</b>

The Board bases the cost of capital calculation on the total assets less total liabilities. The cost of capital percentage for the year ended 31 March 2006 is 3.5% (31 March 2005: 3.5%).

## 9. Inter Board Trading

During the year the Board earned £nil from the selling of services and purchased £nil of services from the other Boards.

## 10. Interest Payable

	2006 £000	2005 £000
On Finance Leases	-	-
Other	-	-
	-	-
	-	-

## Notes to the Financial Statements for the Year Ended 31 March 2006

These expenses are included in other operating expenses.

## 11. Tangible Fixed Assets

	Land & Buildings	Vehicles	Computers	Plant, Equipment & Miscellaneous	Assets in course of Construction	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
<b>Cost or Valuation</b>						
<b>At 1 April 2005</b>	472,115	5,975	1,519	6,775	8,506	494,890
Additions	-	981	314	729	15,855	17,879
Asset Transfer	18,146	-	-	-	(18,146)	-
Disposals	(146)	(190)	-	-	-	(336)
Revaluation	91,870	97	2	1,093	-	93,062
Permanent Impairment of value	-	-	-	-	-	-
<b>At 31 March 2006</b>	<b>581,985</b>	<b>6,863</b>	<b>1,835</b>	<b>8,597</b>	<b>6,215</b>	<b>605,495</b>
<b>Depreciation</b>						
<b>At 1 April 2005</b>	<b>21,322</b>	<b>2,763</b>	<b>980</b>	<b>1,840</b>	-	<b>26,905</b>
Disposals	-	(172)	-	-	-	(172)
Backlog Depreciation	-	-	-	-	-	-
Charge for period	11,329	669	328	557	-	12,883
Deficit on revaluation	(258)	(8)	(1)	-	-	(267)
Revaluation	931	55	2	99	-	1,087
<b>At 31 March 2006</b>	<b>33,324</b>	<b>3,307</b>	<b>1,309</b>	<b>2,496</b>	-	<b>40,436</b>
<b>Net Book value at 31 March 2006</b>	<b>548,661</b>	<b>3,556</b>	<b>526</b>	<b>6,101</b>	<b>6,215</b>	<b>565,059</b>
<b>Net Book value at 1 April 2005</b>	<b>450,793</b>	<b>3,212</b>	<b>539</b>	<b>4,935</b>	<b>8,506</b>	<b>467,985</b>

The Valuation and Lands Agency undertook a complete independent revaluation of all land and buildings as at 31 March 2003 on a depreciated replacement cost basis. The valuations as at 31 March 2006 were by way of approved government indices.

Should fixed assets be sold, proceeds from the sale can only be retained with the approval of the Departments and otherwise must be surrendered to the Departments.

The net book value of tangible fixed assets includes an amount of £1,503,940 (2005: £1,312,311) in respect of assets held in Reversionary Trusts ie if properties cease to be used as specified in the deeds they will revert to the ownership of the trustees.

As described in note 1.5.2, the amount of land and buildings noted does not include maintained schools. In 2005/2006 there were 92 such schools in the Board's area.

Fixed assets include £2,036,000 in relation to a special collection of library books which has been valued by De Burca Rare Books Ltd on 31 March 2006. The library books have been valued on an

## Notes to the Financial Statements for the Year Ended 31 March 2006

open market, existing use basis and have not been depreciated. The next revaluation is due to be carried out at 2010/11.

The depreciation charge for the period is analysed as follows:

	2006 £000	2005 £000
Owned assets	12,883	11,898
Assets held under finance leases and hire purchase arrangements	-	-
Deficit on revaluation	(267)	-
	<b>12,616</b>	<b>11,898</b>

## 12. Stock

	2006 £000	2005 £000
Catering	121	108
Maintenance and central depots	95	89
	<b>216</b>	<b>197</b>

## 13. Debtors

	2006 £000	2005 £000
<b>Amounts Falling Due Within One Year</b>		
Trade debtors	706	572
Amount owed by Boards	115	56
PFI Prepayment	-	-
Other prepayments and accrued income	4,647	1,370
Recoverable VAT	1,354	1,347
Amounts owed by Departments	17,395	16,354
Other Debtors	127	55
	<b>24,344</b>	<b>19,754</b>

	2006 £000	2005 £000
<b>Amounts Falling Due after More than One Year</b>		
Trade debtors	-	-
Prepayments and accrued income	9	10
Other Debtors	-	-
	<b>9</b>	<b>10</b>
<b>Total</b>	<b>24,353</b>	<b>19,764</b>

## Notes to the Financial Statements for the Year Ended 31 March 2006

### 14. Creditors: Amounts Falling Due within One Year

	2006 £000	2005 £000
Bank overdrafts	1,600	1,274
Trade creditors	4,871	5,300
Obligations under finance leases	-	-
Amount owed to Boards	263	234
Other taxation and social security	1,002	1,330
Accruals	16,512	12,901
PFI Commitment	-	-
Other Creditors	1,078	18
	<b>25,326</b>	<b>21,057</b>

### 15. Creditors: Amounts Falling Due after More than One Year

	2006 £000	2005 £000
Obligations under finance leases	-	-
Accruals	-	8
	-	8

### 16. Analysis of Borrowings of the Board: Finance Leases

The net finance lease obligations to which the Board is committed are:

	2006 £000	2005 £000
In one year or less	-	-
Between one and two years	-	-
Between two and five years	-	-
Over five years	-	-
	-	-

## 17. Provisions for Liabilities and Charges

	Employer & Public Liability Claims	Pensions	Job Evaluations	Total
	£000	£000	£000	£000
At 1 April 2005	1,419	2,093	2,059	5,571
Provided in the year	377	396	-	773
Provisions not required written back	(225)	(32)	-	(257)
Provisions utilised in the year	(127)	(168)	(2,059)	(2,354)
Unwinding of discount	-	197	-	197
<b>At 31 March 2006</b>	<b>1,444</b>	<b>2,486</b>	<b>-</b>	<b>3,930</b>

### Premature Retirement for Teachers

As directed by the Department of Education, with the consent of the Department of Finance and Personnel a provision has not been included in Board accounts for future liabilities in respect of existing teacher premature retirement cases. It is agreed that any assessment of future financial liabilities in this regard should be reflected in the Teacher's Superannuation Account (part of the Departmental Accounting structure).

The in-year charge in respect of such cases as well as requisite employer superannuation contributions is charged to the Board's income and expenditure account. In that respect the number of premature retirement compensation cases is as follows.

	Nos
2005-2006	114
Cumulative to March 2006	1,303

### Employer and Public Liability Claims

These are claims against the Board submitted by members of staff and/or the public in relation to accidents or incidents which have happened before the balance sheet date. Claims which are not considered dormant or statute barred by the passage of time since being lodged, but have progressed sufficiently to allow an estimated "settlement" figure to be calculated, are included in the provision. Estimates are calculated by reference to analysis of previous claims of a similar type, the previous history of successful settlements and professional judgement.

The possible timing of payments in settlement of such cases is uncertain; it is plaintiff driven and the case's progress is dependant on individual circumstances of that case. As a case progresses and more information becomes available the amount of the estimated "settlement" figure may in subsequent years be revised up or down.

### Pensions (Premature retirement provision for non-teaching staff)

This provision refers only to those previous employees of the board who have retired and are in receipt of current pension benefits augmented by compensatory added years of pensionable service. The provision is calculated by reference to their current age at the balance sheet date, and actuarial indexation factor which anticipates future life expectancy, and the actual current pension being paid

## Notes to the Financial Statements for the Year Ended 31 March 2006

in the current year. The product of this calculation is an estimate of the future liability of the board in respect of these former employees. Payments in relation to this provision will be ongoing on a monthly basis.

#### Job evaluation

This provision refers to employees, whose posts are due to be evaluated under the job evaluation scheme. As a result employees may be regraded to a higher grade and therefore entitled to a higher salary from the date additional duties were undertaken. The provision is made only in respect of those employee categories where it is probable that a liability will arise and where the board is able to make a reasonable estimation of the arrears liability.

The timing of such payments is likely to vary for the different categories of staff. However, the Board makes every effort to progress payments as soon as possible, once union and individual agreement has been formally reached

The level of information available on which to base estimates for arrears, increases the closer a staff category is to completion of the job evaluation process.

### 18. Deferred Income - Deferred Grants

	2006 £000	2005 £000
External Funding Bodies	<b>857</b>	<b>650</b>

### 19. Income and Expenditure Reserve

	2006 £000	2005 £000
<b>At 1 April 2005</b>	(6,694)	(6,749)
Amount transferred to/from Income and Expenditure Account	1,841	(1,969)
Transfer to/from School Reserve	(1,088)	1,687
Transfer to/from Grant Reserve	(58)	337
<b>At 31 March 2006</b>	<b>(5,999)</b>	<b>(6,694)</b>

## Notes to the Financial Statements for the Year Ended 31 March 2006

## 20. Other Reserves

	Government Grant Reserve	Special Book Reserve	General Reserve	Schools Reserve	Grant Reserve	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
<b>At 1 April 2005</b>	466,767	1,218	77	(723)	74	467,413
Transfer to/from Income & Expenditure Reserve	-	-	-	1,088	58	1,146
Capital grants received for tangible fixed assets	17,891	-	-	-	-	17,891
Revaluation of Tangible Fixed Assets	91,158	818	-	-	-	91,976
Release of Grants – Depreciation	(12,616)	-	-	-	-	(12,616)
Release of Grants – Deficit on revaluation	-	-	-	-	-	-
Backlog Depreciation	-	-	-	-	-	-
Disposal of Fixed Assets	(164)	-	-	-	-	(164)
Transfer to/from General Reserve	(12)	-	12	-	-	-
<b>At 31 March 2006</b>	<b>563,024</b>	<b>2,036</b>	<b>89</b>	<b>365</b>	<b>132</b>	<b>565,646</b>

## 21. Pension and Similar Obligations

The Board's employees belong to two principal schemes, the Teachers' Superannuation Scheme (TSS), the Northern Ireland Local Government Officer's Superannuation Committee Scheme (NILGOSC).

For 2005/06 the employer's contribution rates to the Teachers' Superannuation Scheme was 14%.

For 2005/06 the employer's contribution rate to the Northern Ireland Local Government Pension Scheme was 8.5%.

The Board has included pension costs totalling £21,184,792 in relation to the two schemes.

The latest actuarial valuations of the schemes were at 31 March 2004 (TSS) and 31 March 2004 (NILGOSC).

The assumptions that have the most significant effect on the valuations and other relevant data are as follows:

	TSS	NILGOSC
Rate of return on investments - After Retirement	N/A	6.3%
- Before Retirement	N/A	6.3%
- Long Term	N/A	N/A
Rate of increase in salaries	N/A	4.4%
Rate of increase in pensions	N/A	2.9%
Rate of dividend growth	N/A	2.3%
Market value of the assets at the date of the last valuation	N/A	£2,152.3m

## Notes to the Financial Statements for the Year Ended 31 March 2006

## 21. Pension and Similar Obligations (cont'd)

The actuarial value of the assets of NILGOSC was not sufficient to cover all of the benefits which had accrued to members after allowing for future increases in earnings. The current funding level corresponds to a past service deficit of £392m. This deficit will require to be recovered by increasing the employers' contribution rates. Increasing rates have been agreed for the next 2 years, but these will not recover any part of the deficit and its recovery is therefore delayed until the 3 year period from 1st April 2008. It is planned that employer contribution rates will again increase for the 3 years from 1st April 2008. A target rate of 17.3% is currently anticipated but will be recalculated and confirmed at the next valuation.

## 22. Notes to the Cash Flow Statement

### (i) Reconciliation of operating surplus/(deficit) to cashflow from operating activities

	2006 £000	2005 £000
Surplus/(Deficit) for the year	(16,371)	(17,544)
Adjust for:		
Depreciation (note 11)	12,617	11,897
Government grant release (note 20)	(12,622)	(11,891)
Deficit on revaluation of assets (note 11)	-	-
Government grant release – deficit on revaluation (note 20)	-	-
(Profit)/Loss on disposal of fixed assets	5	(7)
Interest receivable (note 4)	(2)	(3)
Notional costs (note 9)	18,212	15,575
(Increase) in stock	(19)	5
(Increase) in debtors	(4,272)	3,164
Decrease in prepayments & accrued income	231	70
Increase in creditors	419	(415)
Increase in accruals	4,088	(2,728)
(Decrease) in other tax & social security	(328)	47
(Decrease) in provisions	(1,641)	2,063
Increase in deferred income	62	153
Net cash inflow/(outflow) from operating activities	<b>379</b>	<b>386</b>

## Notes to the Financial Statements for the Year Ended 31 March 2006

## (ii) Returns on investment and servicing of finance

	2006 £000	2005 £000
Interest received	2	3
Interest paid on finance leases	-	-
Other interest paid	-	-
	<u>2</u>	<u>3</u>

## (iii) Capital expenditure and financial investment

	2006 £000	2005 £000
Purchase of tangible fixed assets	(17,910)	(14,705)
Proceeds from disposal of tangible fixed assets	13	23
	<u>(17,897)</u>	<u>(14,682)</u>

## (iv) Financing

	2006 £000	2005 £000
Capital element of finance lease payments	-	-
Capital grants received	17,264	13,599
Issue of loans	-	-
Receipt of loan repayments	-	-
	<u>17,264</u>	<u>13,599</u>

## (v) Analysis of net debt

	1 April 2005 £000	Cash flow £000	31 March 2006 £000
Cash	58	74	132
Bank Overdraft	(1,274)	(326)	(1,600)
Debt due within one year	-	-	-
Debt due after one year	-	-	-
Finance Leases	-	-	-
	<u>(1,216)</u>	<u>(252)</u>	<u>(1,468)</u>

## Notes to the Financial Statements for the Year Ended 31 March 2006

## (vi) Reconciliation of net cash to movement in net debt

	2006 £000	2005 £000
Increase/(Decrease) in cash	74	(127)
Cash inflow/(outflow) from increase /(decrease) in debt	(326)	(567)
Change in net debt resulting from cash flows	(252)	(694)
Other non cash items	-	-
Movement in net debt	(252)	(694)
Net debt at 1 April 2005	(1,216)	(522)
Net debt at 31 March 2006	<b>(1,468)</b>	<b>(1,216)</b>

### 23. Capital Commitments

	2006 £000	2005 £000
Contracted	14,367	9,000
Authorised but not contracted	4,836	29,575
	<b>19,203</b>	<b>38,575</b>

### 24. Financial Commitments

At 31 March 2006 the Board had annual commitments under non-cancellable operating leases as follows:

	2006 £000	2005 £000
Expiring within one year	15	29
Expiring between 1 and 5 years inclusive	318	316
Expiring after 5 years	94	93
	<b>427</b>	<b>438</b>

## 25. Private Finance Transactions

PFI Schemes deemed to be off Balance Sheet

	2006 £000	2005 £000
Amounts included within Other Operating		
Expenses in respect of PFI transactions deemed to be off Balance Sheet	3,472	3,335

The Board is committed to make the following payments during the next year:

	2006 £000	2005 £000
PFI Scheme which expires within 1 year	-	-
PFI Scheme which expires from 2 to 5 years (inclusive)	-	-
PFI Scheme which expires from 6 to 10 years (inclusive)	3,049	2,990
PFI Schemes which expire from 11 to 15 years (inclusive)	-	-
PFI Schemes which expire from 16 to 20 years (inclusive)	-	-
PFI Schemes which expire from 21 to 25 years (inclusive)	-	-
	<b>3,049</b>	<b>2,990</b>
Estimated capital value of the PFI Scheme	36,000	36,000

Contract start date – May 2002

Contract end date – April 2012

The PFI Scheme relates to the installation, implementation and technical support of hardware and software for the Electronic Libraries for Northern Ireland (ELfNI) project. ELfNI is being introduced to provide the five Education and Library Boards with systems to deliver public access to electronic information as part of the national implementation of the People's Network. The project also provides new library management systems.

## 26. Contingent Liabilities

### Job Evaluation

Whilst the Board expects a liability could arise, until the relevant job descriptions and evaluations have been agreed, we cannot estimate, with any certainty, the value of the liability to the Board.

We include below a table detailing the progress of various job categories currently at this stage in the job evaluation process.

## 26. Contingent Liabilities (cont'd)

Description	Est no of officers	Status
Classroom Assistants	460	Job descriptions have been prepared and costs accrued for the expected outcome for certain categories of classroom assistants. Negotiations with Trade unions continue to seek agreement on all job descriptions.
Crafts people	34	Job descriptions are in the process of being updated, prior to seeking agreement with the trade unions and progress on to evaluation.
General miscellaneous	4	Job descriptions are in the process of being updated, prior to seeking agreement with the trade unions and progress on to evaluation.
Miscellaneous HQ	6	Individual jobs at various stages of job evaluation process prior to agreement.
Miscellaneous pre-appeal and appeal staff		Various individual jobs have been evaluated and staff have lodged appeals or notice to appeal against the outcome of their evaluation.
Domestics with caring duties/general assistants	108	A generic job description is in the process of being updated, prior to seeking agreement with the trade unions and progress on to evaluation.

The potential total liability if all of these potential liabilities were to materialise is currently estimated at £6.760m.

### Legal cases and public liability

Proceedings against the Board have been initiated in a number of cases of public and employers liability cases. The likelihood of the Board being found liable and the amount of any settlements cannot yet be estimated as the cases concerned have not progressed sufficiently to allow assessment by the Board's solicitors.

Those amounts which are probable and ascertainable have been accrued within provisions for liabilities and charges.

## 27. Post Balance Sheet Events

Details of post balance sheet events are given in the Annual Report of the Board.

## 28. Related Party Transactions

The North Eastern Education and Library Board is a Non-Departmental Public Body (NDPB) sponsored by the Department of Education, Department of Culture, Arts and Leisure and the Department for Employment and Learning.

The Departments are regarded as related parties. During the year, the North Eastern Education and Library Board has had various material transactions with the Departments and with other entities for which the Departments are regarded as the parent Department. These include:

- Belfast Education and Library Board;
- Southern Education and Library Board;
- South Eastern Education and Library Board;

- Western Education and Library Board;
- Staff Commission for Education and Library Boards;
- Council for Catholic Maintained Schools;
- Voluntary Grammar Schools;
- Grant Maintained Integrated Schools;
- Northern Ireland Council for the Curriculum Examinations and Assessment; and
- Colleges of Further Education

In addition, the North Eastern Education and Library Board has had a small number of material transactions with other Government Departments and other Central Government bodies. Most of these transactions have been with the:

- Department of Health and Social Services and Public Safety;
- Health and Social Services Boards which are sponsored by the Department of Health and Social Services and Public Safety; and

None of the Board Members, members of the key management staff or other related parties has undertaken any material transactions with the North Eastern Education and Library Board during the year other than those disclosed in paragraph 12 of the Foreword to the Accounts.

## 29. Third Party Assets

The North Eastern Education and Library Board is responsible for the administration of Trust Funds which benefit the pupils of certain schools within its area. The Chief Executive, as Accounting Officer for the Board, is responsible for the propriety and regularity of the Trust Funds and for the keeping of proper records. These are not Board assets and are not included in the accounts. The assets, held at the balance sheet date to which it was practical to ascribe monetary values, comprised monetary assets, such as bank balances and monies on deposit, and listed securities. They are set out in the table immediately below.

	2006 £000	2005 £000
Monetary assets such as bank balances and monies on deposit	35	35
Listed securities	85	74
	<u>120</u>	<u>109</u>

## 30. Financial Instruments

FRS 13, (Derivatives and other Financial Instruments), requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the way in which it is financed, the North Eastern Education and Library Board is not exposed to the degree of financial risk faced by business entities. The Board has no powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities and are not held to change the risks facing the department in undertaking its activities.

### Liquidity Risk

The Board's net revenue resource requirements are largely financed by grants from its sponsoring Departments, just as its capital expenditure is. The Board is not therefore exposed to significant liquidity risks.

## Notes to the Financial Statements for the Year Ended 31 March 2006

### Interest Rate Risk

The Board's financial assets and liabilities carry nil or fixed rates of interest. The Board is not, therefore, exposed to significant interest rate risk.

### Foreign Currency Risk

The Board's exposure to foreign currency risk is not significant. Foreign currency income and expenditure are negligible.

## 31. European Union Funding

	2006 Income £000	2006 Expenditure £000	2005 Income £000	2005 Expenditure £000
<b>Recurrent Funding:</b>				
<b>Applicant:</b>				
(a) Board	555	555	406	406
(b) Schools	294	294	294	294
(c) Other Services	-	-	-	-
	<u>849</u>	<u>849</u>	<u>700</u>	<u>700</u>
<b>Received from Other Sources:</b>				
(a) Milk Subsidy	118	118	98	98
(b) Others	-	-	-	-
	<u>118</u>	<u>118</u>	<u>98</u>	<u>98</u>
	<u>967</u>	<u>967</u>	<u>798</u>	<u>798</u>
<b>Capital funding:</b>				
(a) Board	-	-	-	-
(b) Schools	-	-	-	-
(c) Other Services	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>967</u>	<u>967</u>	<u>798</u>	<u>798</u>

## Notes to the Financial Statements for the Year Ended 31 March 2006

## 32. New Opportunities Fund

	2006 Income £000	2006 Expenditure £000	2005 Income £000	2005 Expenditure £000
<b>Recurrent funding:</b>				
(a) Schools	225	225	184	184
(b) Public Libraries	-	-	2	2
(c) Other Services	365	365	468	468
	<u>590</u>	<u>590</u>	<u>654</u>	<u>654</u>
<b>Capital funding:</b>				
(a) Schools	307	307	-	-
(b) Public Libraries	-	-	-	-
(c) Other Services	-	-	-	-
	<u>307</u>	<u>307</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>897</u>	<u>897</u>	<u>-</u>	<u>-</u>

## 33. Statement of Losses

	2006 £000	2005 £000
(a) Cash Losses	8	11
(b) Claims Abandoned	1	-
(c) Fruitless Payments	-	-
(d) Stores Losses	220	294
	<u>229</u>	<u>305</u>

## 34. Statement of Special Payments

	2006 £000	2005 £000
(a) Ex -Gratia Payments	-	-
(b) Extra Statutory Payments	-	-
	<u>-</u>	<u>-</u>

## Notes to the Financial Statements for the Year Ended 31 March 2006

### 35. Financial Target

#### Recurrent

	Notes	2006 DE £000	2006 Youth £000	2006 DCAL £000	2006 DEL £000	2006 Total £000
Total expenditure	I & E	297,881	5,558	9,240	7,597	320,276
Depreciation	11	(11,799)	(402)	(410)	(6)	(12,617)
Notional Costs	8	(18,212)	-	-	-	(18,212)
Increase/ (decrease) in provisions	17	1,791	(2)	(148)	-	1,641
(Profit)/Loss on disposal of fixed assets	7	(9)	-	4	-	(5)
DHSS recurrent grant expenditure		-	-	-	(457)	(457)
Other Grant expenditure		(1,053)	(489)	(15)	-	(1,557)
Other Operating income	4	(10,047)	(376)	(465)	(19)	(10,907)
<b>Net expenditure</b>		<u>258,552</u>	<u>4,289</u>	<u>8,206</u>	<u>7,115</u>	<u>278,162</u>
<b>RAP income***</b>		<u>264,201</u>	<u>4,377</u>	<u>8,255</u>	<u>7,284</u>	<u>284,117</u>
<b>Year end position (2006)</b>		<u>5,649</u>	<u>88</u>	<u>49</u>	<u>169</u>	<u>5,955</u>
<b>Year end position (2005)</b>		<u>4,496</u>	<u>229</u>	<u>5</u>	<u>87</u>	<u>4,817</u>

\*\*\* Please note RAP (Resource Allocation Plan) income includes Premature Retirement Compensation (PRC), and End Year Flexibility (EYF), but excludes Annually Managed Expenditure (AME: non-cash costs).

The Board's financial targets for 2005/06 were to contain expenditure within the accrued limits approved by the Departments in the Resource Allocation Plans (RAP's). These targets have been achieved.

## Accounts Direction given by the Department of Education, with the approval of the Department of Finance and Personnel, in accordance with Article 12 of the Education and Libraries (Ni) Order 2003

The annual accounts shall give a true and fair view of the I&E and cash flows for the financial year, and the state of affairs as at the year end. Subject to this requirement the (insert name of board) shall prepare accounts for the financial year ended 31 March 2006 and subsequent financial years in accordance with:

- a. the Government Financial Reporting Manual (FReM);
- b. Other guidance which the Department of Finance and Personnel may issue from time to time in respect of accounts which are required to give a true and fair view;
- c. Any other specific disclosures required by the Department;

Except where agreed otherwise with the Department of Finance and Personnel, in which case the exception shall be described in the notes to the accounts.

### Date of submission

The accounts shall be submitted to the Comptroller and Auditor General by 16 June immediately following the end of the financial year.

Signed by authority of the Department of Education

**A McILROY**

**Dated 30 March 2006**

## Schedule 1

### Application of the Accounting and Disclosure Requirements of the Companies (Northern Ireland) Order and Accounting Standards

#### Companies (Northern Ireland) Order

The disclosure exemptions permitted by the Companies (Northern Ireland) Order shall not apply to the Board unless specifically approved by DFP.

The Companies (Northern Ireland) Order requires certain information to be disclosed in the Directors' Report. To the extent that it is appropriate, the information relating to the Board shall be contained in the foreword.

When preparing its income and expenditure account, the Board shall have regard to the profit and loss account format 2 prescribed in Schedule 4 to the Companies (Northern Ireland) Order.

When preparing its balance sheet, the Board shall have regard to the balance sheet format 1 prescribed in Schedule 4 to the Companies (Northern Ireland) Order. The balance sheet totals shall be struck at "Total assets less current liabilities".

The Board is not required to provide the additional information required by paragraph 33(3) of Schedule 4 to the Companies (Northern Ireland) Order.

The foreword and balance sheet shall be signed by the Accounting Officer and dated.

#### Accounting Standards

The Board is not required to include a note showing historical cost profits and losses as described in FRS3.

## Schedule 2

### Additional Disclosure Requirements

The Foreword to the Accounts shall, inter alia:-

state that the accounts have been prepared in a form directed by the Department with the consent of DFP in accordance with Article 119 of the Education and Libraries (Northern Ireland) Order 1986, and in accordance with this Direction;

include a brief history of the Board and its statutory background.

The notes to the accounts shall include details of the key corporate financial targets set by the Department together with the performance achieved.

